

HOUSING SCHEMES, LIBERALS AND LAND VALUES TAXATION

The old party slogans have lost their significance and will mean nothing to the voter of the future, for the war is certain to change the mind of Europe as well as the mind of America. Men everywhere are searching democratic principles to their hearts in order to determine their soundness, their sincerity, their adaptability to the real needs of their life, and every man with any vision must see that the real test of justice and right action is presently to come as it never came before.

Then men in the trenches, who have been freed from the economic serfdom to which some of them have been accustomed, will, it is likely, return to their homes with a new view and a new impatience of all mere political phrases, and will demand real thinking and sincere action.—

PRESIDENT WILSON, MARCH 20TH.

The Bradford Business Science Club held a meeting on April 29th to consider "The relation of the Land Question to the Housing Problem." The lecturer, Mr. C. H. Smithson, argued strongly for the Rating of Land Values. At the close of the address Mr. E. J. Smith stated a case and asked a question:—

"In view of the indifference of the people to the rating of land values, there did not appear to be much chance of getting such a measure on the statute book for some time, would Mr. Smithson, therefore, suggest that in the meantime housing schemes be held up?"

To this the lecturer aptly replied (we quote from the YORKSHIRE OBSERVER):—

"If men of the type of Mr. Smith were to concentrate their attention upon the rating of site values as closely as some others in the district had done, there would be a better chance of earlier legislation on the subject."

Commenting on this part of the discussion, the YORKSHIRE OBSERVER stated:—

"The rating of site values must eventually come. But just now the public care so little about the subject, and indeed understand it so little that the driving force does not exist to get a measure through Parliament."

This statement is typical of the attitude of the Liberal Press of the country to-day, implicitly, and explicitly expressed; nothing learned, nothing forgotten. "The people do not understand the question, and the driving force is wanting." Yet among the battle-cries of the last three general elections the Taxation of Land Values was heard above all others. It was a dominant issue. The Budget period of 1909 and its challenge are still remembered as the militant and triumphant days of Liberalism.

And behind the Budget were the declarations and the inspiring lead of Sir Henry Campbell-Bannerman; the famous Minority Report of the Royal Commission on Local Taxation, 1901, recommending the rating of land values; the land taxation publications issued for popular consumption by the Liberal headquarters; the persistent and well-directed campaign of the Local Rating Bodies; the Bills they promoted and carried through the Second Reading Stage, in a Tory House of Commons on three separate occasions, 1904 and 1905. In reply to a deputation from these bodies, introduced by Mr. J. H. Whitley, M.P. (now Deputy Speaker), February 26th, 1906, Mr. Asquith, then Chancellor of the Exchequer, asked for "time to carefully consider the best way of giving effect to this right and just principle that the community should reap the benefit of the increased values which are due to its own growth and expenditure." The deputation presented a petition signed by 518

Local Rating Councils, and Mr. Whitley, in his introduction, said it represented an organisation which had been in existence for many years embracing almost the whole of the rating authorities of the United Kingdom.

Following close on the heels of this Liberal official declaration came the Glasgow Bill, the second reading of which was carried in the Commons on March 23rd, 1906, by a vote of 319 to 61; the Select Committee presided over by the Solicitor-General for Scotland, Mr. Alex. Ure, (now Lord Strathclyde); his classic report; the Land Values (Scotland) Bill; its successful passage through the Commons; its rejection by the Lords in 1907, and again, in 1908, mangled beyond recognition; the memorial signed by 400 Members of Parliament, urging the Government to bring forward their promised legislation on the Taxation of Land Values; Mr. Ure's brilliant platform crusade up and down the country for the rating of land values; the agitation prosecuted all over the country for a Tax on Land Values to be included in the Budget of 1909; the Petition to the Government signed by 250 Members of Parliament; the approving resolutions carried by leading Liberal Associations; the expectation, to put it no higher, that land valuation and a tax on land values would form an integral part of the 1909 Budget; Mr. Lloyd George's thaw-in-the-spring-time speech; the appearance of the Budget; its acclamation by the mass of the people; the campaign speeches of Mr. Lloyd George; the weightier-looking pronouncements of Mr. Asquith and other Liberal leaders; the Budget campaign; the magnificent lead in this campaign given by Mr. Ure at the opening meeting at Alexandra Palace, London, June 19th, 1909, held under the auspices of the United Committee; "Limehouse"; the popular open-air demonstrations and processions at London, Glasgow, Cardiff, and other centres throughout the country, organised by local Liberals, in co-operation with the United Committee and its associated Leagues; the militant campaign of the Land Values Group, mostly on Liberal platforms; the yells of rage from the "interests," enlivened by the bathetic oratory of the Dukes. This is but a summary of the chief events of those epoch-making days.

The tumult was heard the world over. To the landlords it was, as their spokesman declared, the rehearsal of the day of judgment; to the common people it was hailed as the glad tidings of their deliverance from the land of bondage. But all this and more goes for nothing. *The people do not understand.*

Liberal legislation has always met in the Lords a well-entrenched enemy. The question of how to remove this obstacle tried the Liberals hard. Twenty-one years ago, Mr. John Morley (now Lord Morley) said:—

"Unless the House of Lords places itself full front in face of some law which is eagerly desired by the bulk of the voters you can't sweep it away by law. You can do it by revolution, but questions will arise which would perhaps test this temper in the Lords, the temporary giving way before a decisive majority." He pointed to the taxation of ground values and said: "That is the kind of question which will no doubt try the Lords very hard, and when that question arises we shall see whether they will evade these proposals for sweeping them away by wisely bowing to the wish of the people."

In the eyes of the electorate the Budget and land-value taxation were interchangeable terms. The Budget drew the badger, and if the Liberals had been in earnest on this life-long quarrel the Lords could have been routed once and for all. But that is another story.

Form IV turned the country into a debating society for the taxation of land values; the popular legend on the front page of the Liberal monthly magazines read: "Liberal Land Reform means Taxation of Land Values."

The people do not understand; but it seems quite beyond peradventure that the Liberal leaders and their organisers knew all about the subject, or affected to know. In those days the managers of the Party, including the editors, were up early in the morning. In those days the people understood, and the driving force was at hand!

The mistake the Liberals made was in the assumption that this driving force was Liberal driving force. It was not. It was driving force for Land Values Taxation as a means to overcome the common enemy, land monopoly. How the Liberals or their leaders and party managers came under the delusion that the overwhelming enthusiasm evoked by the Land Values Budget was a response to the Liberal platform as a whole is for them to relate. From a detached standpoint the explanation is simple enough. It is one that he who runs may read. As economic questions came to displace questions of mere political adjustment in the public mind, the Liberals, apart from their Free Trade (within limits) policy, were without any definite economic creed.

The Tariff Reformers challenged the position, and out of the raging, tearing discussion one clear fact emerged, namely, that in spite of our vaunted prosperity, due to Liberal Free Trade, poverty, unemployment, low wages, slums, hard times, were the lot of millions of free citizens. These victims of economic tyranny had the right to vote and the freedom to tramp in search of better conditions.

There was no dispute about the figures of the relative abundance we possessed as a nation, but an imposing part of the population could not, work they never so well, keep body and soul together.

There were, declared Sir Henry Campbell-Bannerman, twelve million people on the verge of starvation. These were bitter truths to put alongside the national prosperity. They had to be faced and dealt with; and the Taxation of Land Values, boldly proclaimed by the Liberal leader, was accepted as the key to the solution of the problems that had their roots in economic injustice. Liberal candidates by the hundred "understood"—at least for platform purposes—that this radical remedy filled the gap in the Liberal programme. Its advocacy brought popular support and untold strength to the party. This is where the Liberals stumbled and fell. They took this new lease of life to be a sort of Liberal revival, a kind of windfall in "traditional Liberalism," and straightway proceeded to dissipate it over causes the value and importance of which the people understood only too well.

To the popular and well-sustained demand for taxation on the communal value of land as the road to social

justice the Liberals responded with pro-poverty schemes of State control and increased burdens on the general taxpayer. In this way the die was cast. There was no longer any distinct, clear-cut Liberal remedy for social wrongs. "Money For Social Reform" was made to usurp the place in the Liberal programme that Land Values Taxation had won, and Liberalism passed into competition with those who stood for a more thorough application of this fabian medicine.

This explains how the Liberals wasted the "capital" the land values question gave them. It was frittered away on peddling schemes that settled nothing except that the workers were to be put in leading strings to so many Government officials. The lion of monopoly was somehow to lie down with the monopolised lamb, and both were to be cajoled and coerced into decent behaviour by Rents Courts, Wages Boards, and such like machinery. In this way the liberty of the citizen, the personal freedom which had been fought for and won by Liberals of a bygone day, was offered up for a mess of pottage.

The radical note sounded by the land clauses of the 1909 Budget was a clarion call at home and throughout the world to all who were for the wider freedom by way of removing burdens and opening up new opportunities. But those who had the cause in hand were not equal to the occasion, and the Liberal Party is now a bankrupt concern. But that raises wider issues than we can deal with here.

Meanwhile, in the matter of Housing let the inference be drawn that the people are indifferent about the rating of Land Values; let it be made clear that they are only interested in "schemes" that do not provide for this searching remedy. And even as this Land Values policy is cast on the scrap heap, let it be generally and generously admitted that "eventually land values taxation must come"—this to keep the land values men in the Liberal party!

The people do not understand. The writer remembers one of Mr. Ure's pre-Budget meetings, held under the auspices of the United Committee, in a large Yorkshire town, ten years ago. The biggest hall the town could provide was engaged. The local Liberals were puzzled, if not amazed. The chief organiser, with a look of despair, remarked: "You have taken this 5,000 hall for Mr. Ure. Do you know this town?" "Never was here before," was the answer, "except passing through on the way South, or North." "I thought so," the chief replied, more in sorrow than in anger, "I have been here 25 years; I do not know your man the Solicitor-General for Scotland, and I question if a dozen politicians in the district could be found who know him, or ever heard of him before; no question, and certainly not land taxation, could fetch a 5,000 audience, with an unknown man as speaker." Other local politicians of repute had the same story. One professing supporter said: "I am for the taxation of land values; it is an important enough plank in the Liberal platform, but the people here do not know anything about it. If you get 700 in that hall you will do well." There were others like-minded. Some shook their heads and laughed; others declared

the failure would do no good to the Liberal Party, and took the opposite side of the street. Someone carried the news of the impending disaster to Mr. Ure himself. He looked unusually serious and said: "This is too bad, it is so trying to speak in a large hall to a few people and so many empty seats." To cheer him he was reminded of a recent successful Glasgow meeting, but he merely replied with resignation that we were not in Glasgow, which, of course, could not be denied.

The hall was packed, but it is not on record how the chief speaker or the Liberal organisers, who knew their own town and what the people were not interested in, accounted for the triumph. Mr. Ure was an unknown quantity, the taxation of land values was a dreadfully dull and dry subject, the organisers of the meeting were strangers in a strange land, with less than three weeks to make the necessary arrangements, yet the popular audience came and cheered the speaker, as he made out his case in his own masterly way, just as if he had been a local Member of Cabinet rank down to speak at a crisis in the fortunes of the Nation, or the Party.

It was the same at London, Liverpool, Bristol, Cardiff, Edinburgh, Glasgow, Greenock, Kilmarnock, Birkenhead, Belfast, and a score of similar centres. Across the Border, at a demonstration held in a county constituency, the question was asked by active members of the district Liberal Association, as they gazed with astonishment on the large gathering: "What does this mean? Hitherto Mr. Ure, except at election times when any one can get an audience, has only addressed meetings here of from 40 to 70." At Belfast we were told by sane enough looking politicians that we were mad; that a meeting in the Ulster Hall on land values, with the Solicitor-General for Scotland as the speaker, could only result in a fiasco, and incidentally damage the prospects of a rising local movement, named the Ulster Liberal Council. The hall was filled to overflowing, hundreds standing in the rain for quite an hour before the doors opened.

There was no mistake about Mr. Ure's mission. He did not hide his light under a bushel. He gave six sound and solid reasons for the faith he preached. "What," he asked, with rare courage, "are the special characteristics of land as distinguished from other commodities?"

First: it comes from the hand of the Creator and does not owe its existence to man;

Second: it is limited in quantity; you can no more add an acre to the area of a country than you can add a cubit to your stature;

Third: it is necessary for our existence; it is necessary for our production; it is necessary to us when we wish to exchange our products with one another;

Fourth: the value of land is independent of the value of any buildings or other improvements upon it;

Fifth: land owes its value entirely to the presence and activity and demand of the community;

Sixth: land cannot be carried away and cannot be concealed.

Whether Mr. Ure "understood" or not, his famous six reasons were the very postulates of the Single Tax doctrine, and they were accepted by his hearers everywhere as gospel truth.

The people do not understand the question and are indifferent. If we may put it without offence, what this really means is that those who make the charge

do not understand the question, and, of course, it follows that there is no great body of opinion for what these gentlemen do not understand. The plain fact is that the people have been sold, bamboozled, and cheated out of their understanding of the taxation of land values, and their expressed desire to see it made law.

All very well, we may be told, but where is the driving force now for this policy? Just exactly where it was when the Liberals, baffled and beaten with their other "popular" legislation, found it in 1909; just exactly where they afterwards left it when they turned to other measures; when they turned from the cure for poverty to its regulation by the State; just exactly where the Labour Party may find it, some day!

Where was the driving force, may we ask, when the National Insurance Act was put through? The Budget, it was admitted, was popular in the country and unpopular in Parliament. The Insurance Act was popular in Parliament but unpopular in the country. Why? The fact is the people understood both policies. They accepted the land clauses of the Budget because of its promise of freedom. It meant Liberalism as they understood it. The Insurance Act was detested because, whatever its benefits to the poor and hard pressed, it came in the garb of Prussianism. The scheme was made in Germany and its enactment here by the Liberal Party was a blow to Liberalism, a blow to Liberal tradition and Liberal aspiration, from which it is not likely to recover in our day.

The taxation of land values will stand the test of a true reform; it not only does not antagonise other reforms but will assist them. In due course the various housing schemes will be sorted out, and those of the larger size will be readily seen and dealt with. But whatever comes of them the Chancellor of the Exchequer must prepare a Budget once a year. The valuation of the land can quickly be made available for a tax on land values. Such a tax will cheapen land, lessen the burden of taxation on houses, create a demand for labour, and raise wages. It was once so stated by Liberal leaders.

The Government housing scheme is now revealed. It is proposed to build some 300,000 houses for the working classes after the war. For this purpose 75 per cent. of the loss is to be guaranteed by the State, and the National Housing Council are urging that any loss falling on local Authorities shall not exceed the proceeds of a penny rate.

This scheme has had, along with other after-the-war reconstruction schemes, a good Liberal press. But not one word, not even a hint, that the proposed "penny rate" should fall on the communal value of the land; not even a stray letter to the editor from a representative Liberal, nor a resolution from a Liberal Association to mark the place in the story of modern Liberalism, where the pledge was given. Yet it was in the bond. Verily it is as if nothing had ever been written, spoken, or heard about the question. The Taxation of Land Values in Liberal circles to-day is, except for the unwavering stand taken by members of the Group, but "a scrap of paper." So much the worse for Liberalism, as those who still look to the party, or to the party managers, for guidance will yet discover and understand.

J. P.