

There are people who are always trying to find some mean between right and wrong—people who, if they were to see a man about to be unjustly beheaded, might insist that the proper thing to do would be to chop off his feet. These are the people who, beginning to recognise the importance of the land question, propose in Ireland or England such measures as judicial valuations of rents and peasant proprietary, and in the United States, the reservation to actual settlers of what is left of the public lands, and the limitation of estates. Nothing whatever can be accomplished by such timid, illogical measures. If we would cure social disease we must go to the root.—Henry George in SOCIAL PROBLEMS, Chapter XVIII.

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WORDS OF WISDOM FROM AN UNEXPECTED SOURCE.—“It is wise to remember that there is nothing sacred about our present system of land-owning and land-holding.”—THE ESTATES GAZETTE (Leading article, Jan. 6th, 1912).

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Questions for “over-populationists” :—

1. What food products can be named which increase less rapidly than man increases in numbers ?
2. If none, then how can all food products increase less rapidly than man ?
3. Has anyone noticed a lack of food on the market ?
4. If not, then the land in use furnishes enough ; would not the much greater area of land held out of use yield a very large surplus of food ?
5. Who has a moral right to hold land out of use ?
6. What was the first cost of land ? and what made it so scarce and high priced ?

—C. F. HUNT in the FREEWOMAN, 11th January.

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In the December number of the NORTH WILTS LIBERAL MONTHLY, the M.P. for the constituency, Mr. R. C. Lambert, has an article advocating the Rating of Site Values as a remedy for high rents, high rates and bad housing conditions.

“The great Budget of 1909,” he writes, “made a beginning of a reform which we hope will entirely alter this state of things. When the valuation of the land of the country is completed, it will be possible for the Government to introduce a Bill giving the Local Authorities power to do away with the rates as at present levied on the improved value, and instead to levy the rates on the site value, that is to say, on the value of the land apart from all improvements.

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PROGRESS IN CANADA.—In the current number of the SINGLE TAX REVIEW, L. S. Dickey, writing after a special visit, says :—

It matters not which party may be in power in the near future, the present Premier, and the leader of the Opposition, will be the dominating factors in shaping future legislation for this Province (the Province of Saskatchewan), and as both are committed to the Taxation of Land Values and the exemption of all forms of industry from taxation, there can be little doubt that this great agricultural section will soon take this advanced step.

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Less than ten years ago the Broadway and Thirty-fourth Street bit was sold for \$375,000 ; it has tripled in value in that short space of time. And so it goes with land values the country over ; it is but because a million was involved and a Broadway corner that this particular sale appears so tremendous.—PIONEER PRESS (St. Paul, Minn., 16th December, 1911).

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THE DAWN OF TO-MORROW.

A flood of light bursts through the clouds ;
 Another day ! A deluge that doth cause
 Privilege to cringe and tremble and shrink back,
 Covering into its vaults of steel.
 The Age of Justice dawns !
 Passions vanish, kindness grows apace ;
 The might that built a Nation in a day
 Doth turn to lift the maiden of the street,
 To comfort weary mothers, and to share
 Its strength with other, weaker men.
 It is the reign of Peace.

HARRY W. OLNEY (in THE PUBLIC, January 5th, 1912).

POLITICAL AND ECONOMIC DISCUSSION.

THE TAXATION OF LAND VALUES AT THE SURVEYORS' INSTITUTION.

PAPER BY MR. EDWIN SAVILL, F.S.I.

At the ordinary general meeting of the Surveyors' Institution held on February 5th in London, Mr. Edwin Savill, F.S.I., read a paper on “The Single Tax Movement.” According to the ESTATES GAZETTE of 10th February, Mr. Savill said :—

In reading a paper on the proposals for the taxation of land values, known as the Single Tax Movement, he regretted to say that it was necessary to justify himself, because people, even those who should know better, were inclined to dismiss the subject as “absurd,” and the project as “impossible.” For that purpose he could not do better than read a few extracts from the various papers and pamphlets published by the United Committee for the Taxation of Land Values, who had been working quietly for many years, but who now, having obtained a considerable following, both in and out of the House of Commons, were becoming much more active, and, encouraged by their temporary success, were working more openly.

Having quoted several extracts, Mr. Savill put before the members the method of raising revenue, as proposed by the United Committee for the Taxation of Land Values, the objects they had in view, and the advantages which they declared would follow should they be successful. In doing so he could not do better than again quote their own words and give extracts from their literature. They would then consider, so far as they were able with the limited data to go upon, what would be the actual results of their proposals. From LAND VALUES, July, 1911 :—
 “At the twenty-eighth annual meeting of the League, on July 19th, the following important resolution will be proposed on behalf of the Executive :—‘That this meeting respectfully urges the Government to continue and develop the policy inaugurated by the Budget of 1909-10, by (1) hastening the completion of the valuation of all land, apart from improvements ; (2) making that valuation accessible to the public ; (3) empowering local authorities to levy rates on the basis of that valuation ; (4) levying a Budget tax on all land values, to be applied (a) in providing a national fund to be allocated toward the cost of such services as education, poor relief, main roads, asylums, and police, thereby reducing the local rates ; and (b) in substitution of the duties on tea, sugar, cocoa, and other articles of food.’”

From page 4 of a pamphlet, “How to Reduce your Rates and Taxes” :—“There is only one step which will enable people to use their land as it ought to be used. They must take over from the landowners the power of controlling the land of the country.” Ditto, page 62 :—
 “The taxation of land values, therefore, would, by taking for public use that value which attaches to land by reason of the growth and improvement of the community, make the holding of land unprofitable to the mere owner, and profitable only to the user,” or, to put it in the words of a speech heard at one of their meetings, “Our intention is to take rates off all buildings and all improvements, and to put them, together with all taxes, on the site value of land alone, with the object of making the private ownership of land impossible.” That meant a single universal tax upon all land values, whether covered, undeveloped, or agricultural land. Doubtless they would say that that meant the nationalization of land pure and simple, and he did not think it was denied that was the goal of their ambition ; but the subject of land nationalization was too large a one for him to touch upon that night, however suitable it might prove for discussion at some future meeting of the members. Shortly, then, the policy of the Committee was to secure an official valuation of all land throughout the country, distinguishing the “site” or unimproved value from the total or improved value of each hereditament. That site value was then to form the basis upon which all taxation, local and Imperial, was to be assessed. The advantages claimed for the proposal were :—(1) Taxation of land values, the only just system of rating and

taxation; (2) the freeing of industry from monopoly and undue burdens of taxation; (3) that it would give relief to rural districts, and working agriculturists from the present excessive burden of rates and taxes.

The Economic Aspect.

The subject clearly was one which must be considered from two aspects, the political and the economic. On the former all good citizens should, he thought, endeavour to form an unbiased and judicial opinion, considering carefully whether the ownership of land should be looked upon as subject to peculiar circumstances, calling for treatment different to other forms of property. Fortunately, perhaps, that room was not the place to discuss the ethical side of the problem; nor would it be illumined by the special and technical knowledge of the surveyor, and might, therefore, be neglected in their discussion that evening. But the economical aspect was different, and he submitted that upon that side of the question no class of the community could throw more light or better deserve a hearing than those who followed their profession. Their training had been directed towards anticipating correctly the influence of various factors upon the value of land, and should their voice, as a public body, be raised against the practicability of the Committee's proposals—whatever opinion might be held as to their political disability or the reverse—the nation would, he considered, be ill-advised to adopt them without the clearest proof that the profession was mistaken, and that the proposals were in themselves economically sound. Now, while it was not difficult to produce arguments to refute some of the claims which were put forward by the Committee, it was not easy to deal with their main contention that all rates and taxes should be assessed on site values without the help of reliable information as to the unimproved value of the land of the country, which did not at present exist. Here he must admit that he had taken a bold step, and had formed an estimate not without much thought and searching into existing figures, of the site value of all the land in the United Kingdom. His estimate amounted to £3,000,000,000, and it should be remembered that with such colossal figures a hundred millions or so either way would make comparatively little difference in the result. The proposals put forward by the Committee were two in number, a smaller one for immediate consumption, and a larger as their ultimate goal. Under the first it was proposed to assess on site values all local rates, the Government grants in aid thereof, and a further sum equal to that now brought into the Imperial revenue by the taxes on food, the unit of assessment being the United Kingdom in each case:—Local rates, £69,000,000, and Government grants £25,000,000—total £94,000,000; food taxes £10,000,000—total £104,000,000. The more advanced proposal was that of a single tax for all purposes, local and Imperial, to be assessed on site values. The amount needed annually for these purposes was about £248,000,000, a sum approximating very closely to the total rateable value of the United Kingdom, estimated as at present on land and buildings. Let them, then, calculate what that would mean on his estimate of site value. To raise £104,000,000 on an assessment of £3,000,000,000 would need a rate of about 8d. in the pound, while 1s. 8d. in the pound would be needed to raise £248,000,000. To the uninitiated these rates perhaps might not appear excessive, just as the undeveloped land duty of ½d. in the pound might have caused them to marvel at the restraint of the Chancellor of the Exchequer. But they had failed to appreciate the true inwardness of assessing an annual tax upon a capital value. The ½d. in the pound, which looked so innocuous, was a tax of that kind, and on a 4 per cent. table would be found to equal an income tax of 1s. 0½d. Eightpence in the pound, then, would equal an income tax of 16s. 8d. in the pound, and 1s. 8d. an income tax of 41s. 8d. in the pound.

£30,000 a Year in a Small Office.

And now he should like to consider how far the land taxers' statements were justified that taxation of land values was the only just system of rating and taxation. The result of putting all taxation upon the site value of land must necessarily be that only those persons who own or use land would pay taxes. Of course, the advocates of the tax said that, as everybody must, directly or indirectly, use land, so everyone would have to pay their

share, but there were many instances in which enormous profits were made with very little use of land, and of people with huge incomes owning no land and living in comparatively small houses. Take the case of the big trader who had a small office in the City, who would pay very little in rates compared with the benefits he received from the protection of his interests by the Army, Navy, and Police, and from other national services. For example, a man with, say, £30,000 a year, derived from various interests, foreign and home directorates, etc., occupying a small office in the City, and living in the country in a house with 30 acres of land rated at £400 a year; he would now pay in direct taxes and rates £2,425, while under the single tax system he would only have to pay about £250 a year. On the other hand, a man who derived a net income of £30,000 from an agricultural estate, and who would now pay, say, £2,700 a year in taxes and rates, would, under the single tax system, be called upon to pay no less than £50,000 a year, but against this it was to be presumed that the rates now paid by the tenant, say, £6,000 a year, could be passed on to them in additional rent.

If land had not to be revalued, some factories, small houses and cottages would occupy larger areas of land, and, owing to the low original value of their sites, would pay comparatively low taxes, while in other cases the converse would obtain, certain sites being burdened with taxes so crushing as to make them almost incapable of economic use. If, on the other hand, land was to be revalued, industries would build their workshops and cottages on the smallest possible area of land, because they would fear the increase in the amount of taxes they would have to pay as values increased. That surely would be no improvement on the present state of affairs.

Then as to the argument that rural districts would be relieved, and agriculturists freed from the present excessive burden of rates and taxes. On that head it only appeared necessary to point out that with a rate of 8d. in the pound on the site value, a farm valued at £20 an acre (site value), and let at 20s. an acre, would have to pay 13s. an acre taxes, an amount which would be increased to 33s. an acre with a rate of 1s. 8d. If there was to be a periodic revaluation, and with the movement of factories into rural districts the value of land rises, it was quite conceivable that, although prices of produce might not increase to any large extent, the amount of taxes payable on a farm might double or quadruple. Cottages would have to pay three or four times as much in rates as they did now, and the housing problem would become even more acute than it was at present.

A Counter Proposal.

For discussion he would put before them a suggestion which he hoped might lead to interest being taken in the subject, from which good results might follow:—At present land and house property in the United Kingdom paid annually £69,000,000 in rates, and of that sum no less than £38,000,000 was paid towards education and other Imperial purposes. If that sum of £38,000,000 were taken off local rates, it would leave a sum of £31,000,000 to be raised locally for such purposes as drainage, parish roads, lighting, etc., and the fairest way to raise it would be by means of a rate upon the capital value of land and buildings, or, if preferred, upon land alone. Purely agricultural land should pay a proportion only, as at present. Under that system undeveloped land would be rated upon its capital value, and would therefore pay an undeveloped land duty, while it would indirectly pay increment value duty, because as it increased in value it would pay a higher rate. The valuation would have to be very carefully made, but it could be carried out very much as it had been in the past, except that a professional valuer should advise the assessment committees. The rate would be a very small amount in the pound to provide the sum which was now required for local purposes, and the money raised would be for the direct benefit of the actual community concerned.

The question arises how to deal with the £38,000,000, which was made up by justice, education, hospitals, lunatics, police, etc. The total amount of Imperial expenditure was £173,000,000; add £38,000,000—total to be raised Imperially £211,000,000. Certain amounts would still be received as at present:—Excise £32,000,000, customs on wines and spirits £5,000,000, Post Office (profit) £4,000,000; Suez Canal shares £1,000,000, old Land Tax £700,000, Crown lands £480,000, making a total of £43,180,000, leaving still

to be raised £168,000,000. The best method of finding the sum was hardly a matter which came within their province to consider, but there was a strong and rapidly-increasing feeling that the fairest way would be by a universal income tax, and as the personal incomes of the British Isles amounted to about £2,000,000,000, the tax would only be about 1s. 8d. in the pound, and everyone under such a system would pay according to his ability. A working man's income would be considerably less taxed than it was at present, as he now pays high rates, taxes on tea, sugar, coffee, tobacco, and other necessaries; and if the duty were taken off beer his position would be still further improved. It would be necessary to consider whether the income tax should, or should not, be a graduated one, but the limit of exemptions would have to be low.

THE "TIMES" ON THE AGRICULTURAL DEPARTMENTAL COMMITTEE'S REPORT.

The TIMES, 29th January, commends the Committee's "review of the present conditions," but doubt whether their legislative recommendations will "carry conviction as to the remedy they somewhat hesitatingly propose." It reviews at some length the causes resulting in "an inevitable change in the attitude of the land-owning class, disposing its members to get rid of their estates." It suggestively emphasises the fact that—"No longer can the landlord buy political power with his land; he has ceased to be the dominant feature in Parliament or within the counsels of his own special party; even in his county his automatic supremacy has passed away alike on the Bench and in local government."

"Moreover, as the Committee indicate, though perhaps without sufficient stress, there is another factor at work—the return of agricultural prosperity. Ever since the beginning of the century agriculture has been recovering from the profound depression which set in during the early eighties, and 1910 seemed to mark a general realisation of the fact that farming was once more prosperous. Farms began to be difficult to obtain; in some cases rents were raised, and there was a marked—we might almost say sudden—demand for land, which thereupon began to be saleable at prices unattainable during the preceding 30 years. Small wonder that many landowners, . . . welcomed the opportunity of adding to their income by the sale of their estates instead of an attempt to raise the rents of the sitting tenants, and the Committee indicate that this was done from natural business motives, without any suggestion of scare."

Concerning the Recommendations of the Committee it says:—

"Though the Committee as a whole endorses Sir Edward Holden's scheme for a Land Bank, it seems to have very considerable doubts whether it will really meet the case, because of the unwillingness or inability of the tenant farmer to find one-fifth of the capital and bear the charge of 4 per cent. on his loan. It therefore proceeds to a somewhat half-hearted recommendation of a further scheme by which the State will buy the land and step entirely into the position of the present landowners."

But, it subsequently asks:—

"If the Committee's own statement is correct that land is at present let below its economic value, how can it possibly justify its allegation in this connection that the State, by buying in large blocks and choosing its time, would be able to acquire the land much cheaper, and would enjoy the advantages of the large owner as against the small man in cost of administration and repairs? . . . No talk about the State's command of cheap capital or the economy of purchase and administration in bulk can get away from the fact that if a farm rented at £30 a year is worth £1,000 in the open market the State will have to put up the rent if it takes over the business of land owning. This sketchy and ill-grounded proposal may be dismissed at once as little more than a pious aspiration after a better world and a desire to start upon land nationalisation timidly under

the pretence that it can be done cheaply. It is but fair to state that six members out of an effective Committee of 13 record their dissent from the proposal."

THE "MANCHESTER GUARDIAN" ON THE IMPERIAL AND LOCAL FINANCE DEBATE IN THE HOUSE OF COMMONS.*

The following is an extract from the sketch of the MANCHESTER GUARDIAN Parliamentary Correspondent (February 17th) dealing with the debate in the House of Commons on the amendment to the Address in reply to the King's Speech, lamenting the absence of any proposals for the readjustment of Imperial and Local Finance:

After all, the subject was the land, and on that subject one must expect some display of elemental passion. Nominally, to be sure, other questions were equally involved, but in reality the demand of the Opposition was for more agricultural relief. A dark suspicion brooded in Tory minds that the Committee which has been considering the incidence of local taxation might have become infected with Single Tax theories and that site values were receiving undue consideration. As one way out of the danger Mr. Hayes Fisher pleaded for immediate action, action by way of subvention—in other words, action which, by anticipating the Committee's recommendations, might raise a fresh obstacle in the path of the land taxes. Of course his case was put in more plausible terms. "Is no relief whatever to the ratepayer to be given," he cried, "till the whole question of site values has been settled?" For himself, Mr. Fisher could see no reason why relief should not be forthcoming at once. Even the task of destroying ancient institutions, as he sarcastically put it, need not be unreasonably delayed by this more beneficent work. While Mr. Fisher, prejudiced by his associations with municipal government, was fain to admit that something might be said even for the taxation of site values—albeit only in towns—Viscount Helmsley, on the other hand, roundly denounced this school of fiscal theorists as "even more dishonest than the Socialists," since the latter, as he confessed, were candid in their designs on the land, whereas the Wedgwoodites would embark on the same career of spoliation under the specious mask of the tax collector.

Such excellent sport was subsequently enjoyed by Mr. Wedgwood in playing up to the alarms of his critics that one almost regretted Mr. Lloyd George's smiling refusal to take a hand in the game—a game so stimulating in its brisker passages that at one time it had actually brought Lord Helmsley, Mr. Long, Mr. Pretyman, and Mr. Courthope to their feet simultaneously, all panting to confound the Wedgwood heresy.

TO BUY OR NOT TO BUY.

REYNOLDS, 4th February, contains a long and characteristic article on the question "To Buy or not to Buy?" from the pointed pen of the veteran journalist, Mr. Morrison Davidson. After referring to the establishment of the Land Nationalisation Society in 1881, he continues:—

"A year or so after we started our L.N.S.," Mr. Swinton, first Secretary and Treasurer of the Society, is careful to note, "Mr. Henry George being then probably in California, we met with a First Edition of his great and far-shining work, PROGRESS AND POVERTY."

Disagreement, however, came into the L.N.S. with the fresh light from the Far West. In the spring of 1883 a number of members who advocated Georgean methods of 'taxing out' in place of 'buying out' seceded, and formed the Land Reform Union, which, in 1884, became, in turn, the English Land Restoration League with so many doughty works *de fide propaganda* to its credit. But still the cleavage is as wide now as ever. . . . Mr. Hyder's pamphlet, 'Public Property in Land' (Land Nationalisation Society, 432, West Strand, 2d.) is not so limpidly logical and convincing as Dr. Dundas White's recent 'A.B.C. of the Land Question,' expounded on severely orthodox Georgean lines; but on the *audi alteram partem* principle it cannot be overlooked,

* A report of this debate will be found in the Supplement to this issue.