

LAND VALUE POLICY IN IRELAND

(Special article in the "Irishman," 5th November, Journal of the Irish Labour Party).

By Rev. Mervyn Stewart, F.R.G.S.

It is with much pleasure that I accede to the suggestion to offer a few remarks on the necessary first step to the revival of healthy social life in Ireland, as learned from fellow-Irishmen at the other side of the world. Without it no other act will be fruitful; this done, the developments are limitless; and to-day there is no obstacle but apathy.

Why should I speak? Only as one of the "wild geese." Irish blood longs for home, but dare not face a country where social injustice is sheltered by the batons of constabulary—I should say Civic Guards.

THE ULSTER CUSTOM IN NEW ZEALAND

About fifty years ago several groups of Irish emigrants set out for Kati Kati, New Zealand—mostly Ulster farming stock; I was among them. There in the new land we were faced with old problems; the most urgent was how to raise rates for joint expenses. Being Ulster people, the sense of the "Ulster custom" was strong—that a tenant should not have his rent raised by the landlord on improvements he himself had made. In all these islands, only the Ulster farmers have had sense enough to grasp this first rule of morals. They said: Why should we who must fence our holdings, cultivate and build homes, pay more rates to the Road Board because we have done this, while the speculators who do only the legal minimum to secure their title deeds get off free, or nearly? Men who see this have nearly solved the problem! The first rate struck by the Kati Kati Road Board was in 1876, of one penny per acre, the whole district being classed as "third class" land. This was grossly unfair to holders of poor or isolated properties, and most helpful to those with rich and central sections; but had the very great advantage that it did not impede or tax enterprise. There was then no State valuation of land of any sort, save above "classification."

This law was swept away in 1878 with the first land value tax of Sir George Grey, Ireland's noblest son. The English law of rating on the value of improvements when and as made, and letting off the idle speculator and the grazier, was imposed on the settlers, and it was not till 1890 that John Ballance—an Irishman—came into power, pledged to abolish the national tax on personal property and the civic rates on improvements, and to substitute for them taxes and rates on the site value which the public creates by its mere existence and activity. It was not till 1896 that the Acts were passed to set up a State valuation of the whole country, separating all the results of personal effort from the site values, and to allow local bodies by ratepayers' poll to rate only on the latter. Our district was one of the first to adopt the Act, and I can yet recall those who fought with us of the younger generation against the bankers, land monopolists, and all that they could intimidate—John Killen, John Wilson, James Lockington, James Boyd, Wm. Preston, George McClure—a body of Irishmen it is an honour to remember.

PENALIZING PERSONAL EFFORT

Now over 200 rating authorities are operating the Act, and no one dares to oppose it, in a people now the best fed and best clothed in the world, and the greatest producers and possessors of wealth. Do Irishmen at home not wish to be like that? When I landed at Kingstown in 1906, I was appealed to by a

man built like Jack Dempsey: "For the love of God, sir, give me a penny." I gasped and gave it. But mendicancy is, in effect, created by a system of local taxation which penalizes every personal effort savagely, and rewards a man with lower rates if he lets his home or his barns fall into ruins; above all, if he buys land to hold it idle for a "rise in value" under the competing misery of the landless and those young folk who are Ireland's only hope, now tamed and crushed by the State, or taught that the bomb and the dagger will cure economic wrongs.

The Danes, next to New Zealanders, are your kinsmen, and most dangerous business rivals in the world markets. If the men of Ireland will not learn the madness of rating homes and business and exempting speculators from New Zealand, will they not learn from Denmark? . . . Denmark has enacted the very same laws—a State valuation with careful and scientific assessment of sites and their communally-given value (the God-given heritage of the nation), and on this valuation a small (initial) national tax and a moderate compulsory local rate, with wide optional provision for local increase. Thus young people who desire homes can get the site more cheaply; artisans who have saved a little can set up for themselves with little risk, and Danish real wages are a half more than in England. Is it so in Erin, you Irish labour men?

WHAT HAPPENS IN IRELAND

My grandfather, also Mervyn Stewart, owned a large area of hill land at Fincool, in South Tyrone. My father told me when he was a lad this was let to the "mountain men" at £5 a year for 100 acres—1s. an acre rent, or, say, £1 an acre value, including improvements. My grandfather never spent anything on the property, and it fell to his creditors fifty years ago. They never spent anything on it either, so far as I know. About twenty-five years ago I and my father went through Fincool. The population was less than in his youth, trade and production were less, there were no social advantages of any kind, nothing to justify an

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The Story of My Dictatorship. By Lewis H. Berens and Ignatius Singer. The Taxation of Land Values clearly explained. With notable commendations from Henry George and William Lloyd Garrison, Junr. Popular Edition. Price 3d. (Postage 1d.)

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The Economic Causes of War and of Industrial Depression. Reprint of the Memorandum addressed by the International Union for Land Value Taxation and Free Trade to the World Economic Conference, Geneva, May 1927. Price 2d.

increase of rent over 1s. an acre, as in his father's time. But the decent homes that we saw had been bought, as we were told, at an average price of £25 per acre under the Land Acts. All the vaunted tenants' protection laws, land assistance schemes, and the rest, worked out in making these poor simple people buy from land grabbers the improvements they and their fathers had made on bogs and hilltops, at £25 an acre, and on top of this forcing them to pay ferocious rates on these purchases before they were paid for, while graziers on the rich valley lands at their feet were indulged. For these economic wrongs the torch, the bomb, the knife are no remedy, still less the constable's club. The economic cure is in operation of a just and truly Irish system of local and general taxation, carrying out the majestic will of a great, a free, a brotherly people, as expressed by electoral support of leaders who are just and public-spirited.

The economic tendency is for improvements in the value of a farm to be reflected in the increase of rent, and history affords glaring cases in which almost worthless land has been made valuable by the exertions of the tenant, with the result that the rent has soared far beyond its original level.—*Western Press*, 8th December.

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I have in my mind the case of a small farm. At the time of high prices the owner raised the rent about 20 per cent, which the tenant agreed to pay; but after a few years, with falling prices, the tenant found himself unable to carry on at the increase, and gave notice to quit. The farm has since been let at an increase of about 35 per cent above pre-war figure. Who in this case derives the benefit of the reduced rates? Does not all go into the pockets of the owner?—WM. MUTTON (Altarnun, Launceston) in the *Western Morning News*, 14th November.

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Replying to Mr Mutton in the same paper (17th November) Mr A. M. Williams, Conservative M.P., wrote: "I agree that there is a tendency for the landlord to benefit by agricultural legislation on a renewal or change of tenancy, but the landlord is a partner in the industry, and deserves at any rate some share in the benefit of agricultural legislation."

To him that hath shall be given and from him that hath not shall be taken away even that which he hath.

* * *

The root cause of the trouble lies in the iniquity of civil laws pertaining to land and taxation, and until these are reformed and based on principles of equity and justice there never can be permanent peace or prosperity in industry or social life. The iniquity of the civil law lies in the fact that it has made land to be private property, and bases taxation on the use of land instead of on its economic or selling value.—J. CALDWELL in the *Ardrossan Herald*.

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The Rev. W. Drury, Binsted Rectory, Arundel, had a timely letter in the *West Sussex Gazette*, 29th December, calling attention to "the profits arising from the sale of land which has acquired its value largely owing to the making of a road by which it becomes accessible." He invited anyone interested in the means that should be taken to make these values available for paying the cost of the roads to communicate with him for information.

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LOCAL TAXATION IN THE BRITISH EMPIRE

By Col. Josiah C. Wedgwood, M.P.

The new pamphlet* Col. Josiah C. Wedgwood, M.P., has produced giving an account of local taxation in the British Empire will be specially welcomed by speakers and writers on the land value policy. Most of the space is devoted to the progress that has been made with respect to land value taxation for local purposes in New Zealand, Australia, South Africa and Canada. The facts about these countries have been published from time to time in *Land & Liberty* and are spread over many issues of the journal. Here they are assembled in a compact and concise form making an up-to-date compendium that serves a much-felt need. The reader will be grateful to the author for such a handy work of reference, including as it does much general information about methods of taxation not only in the self-governing Dominions but also in the Crown Colonies and the mandated territories, with plentiful mention of acts and ordinances.

In a foreword the Rt. Hon. J. H. Thomas, M.P., writes: "Thanks to the work of Mr Wedgwood those concerned with questions of local taxation in the Empire now have the facts readily available and will be able to form an accurate opinion on the subject."

At the end Col. Wedgwood almost playfully remarks that he is merely recording what is done in all the different countries he names and that it was no part of his task to argue for one method or another—to which the readers may well reply that he is indebted all the same to the author for learning so much from him about the practical application of land value taxation, which at the outset he declared to be "best of all." Col. Wedgwood's facts in that regard are his arguments and answer the question he himself puts: "As all land value is the creation of the community, what could be juster than to base taxation on that value and so recover for the local authority (local taxation being the matter in hand) a larger part of the value they had created? Besides, any doubt about the message of the pamphlet is removed in the quotation from the Labour Party's declaration at Liverpool (1925) in favour of the taxation and rating of land values; and in the page given to well-chosen statements made by Mr Ramsay MacDonald and Mr Arthur Henderson—the latter, by the way, not being from a speech, as the reader might infer, but from the letter written by Mr Henderson to the International Conference on the Taxation of Land Values held at Oxford in August, 1923, and having therefore all the more weight.

Although the pamphlet is intended to deal with the British Dominions only, methods in operation in other countries are described, several paragraphs very well placed being devoted to continental practice and to the United States. The only criticism we would venture is that there was not space for more than a line about Denmark, although what has been done there to introduce a measure of land value taxation for both national and local purposes based upon systematic and periodic valuations, is of exceptional importance as a lesson to the rest of the world.

Two observations may be permitted on matters of detail. In the section dealing with South Australia

* *Local Taxation in the British Empire*. By the Rt. Hon. Josiah C. Wedgwood, D.S.O., M.P., with a Foreword by the Rt. Hon. J. H. Thomas, M.P. Price 3d. Post Free 3½d. Published by the Author in Association with the Labour Party, 33, Eccleston Square, London, S.W.1.