

On behalf of the Group, evidence was also submitted by Sir Albert Spicer, Bart., M.P., Mr. J. Dundas White, LL.D., M.P., Mr. Josiah C. Wedgwood, M.P., and Councillor Chas. H. Smithson of Halifax.

The other bodies that gave evidence before the Departmental Committee were the Institute of Municipal Treasurers and Accountants; County Council Association; Association of Education Committees; Rating Surveyors' Association, Central Chamber of Agriculture, Farmers' Club; County Accountants' Society; Surveyors' Institution; Central Land Association; London County Council; National Union of Teachers; Metropolitan Borough Councils; National Chamber of Trade; the National Farmers' Union; and the Horticultural Trades Association.

Of these bodies, the Rating Surveyors' Association, the Central Chamber of Agriculture, the Farmers' Club, the Surveyors' Institution, the Central Land Association, and the Horticultural Trades Association declared their opposition to the Rating and Taxation of Land Values. The evidence submitted by Mr. H. Trustram Eve on behalf of the first three bodies above-mentioned, and his cross-examination, are of special interest. His hostility to the United Committee and all its works is made plain throughout his evidence. The evidence given by Mr. J. H. Sabin, F.S.I., and Mr. A. L. Ryde, F.S.I., on behalf of the Surveyors' Institution, and their views of the Rating and Taxation of Land Values will also repay perusal.

We confidently recommend our readers to procure copies of these Blue Books (Cd. 6303 I. containing the cross-examination of witnesses, and Cd. 6303 II. containing the Memoranda) and study them for themselves. To the student of our question they are invaluable, as they are a mine of fact and argument on our question, which will help them immensely in the statement of our case and in meeting all the objections that can be brought against it.

THE RADICAL POLICY.

(From the DAILY NEWS AND LEADER, July 27th.)

The loss of the land is the great tragedy in English history, and the ordinary Englishman, ill-instructed though he be in history, has a sound tradition that the land was taken from the people by the most ruthless perversion of power. Our present ownership of land has its origin, a modern enough origin, in crime and injustice; and the tax system of this country, largely the work of those who committed or enjoyed the fruits of that crime and injustice, completes the fabric of wrong. We allow the landowner, without any exertion on his part, to appropriate the fruits of the energy, invention, and industry of society. We make it profitable for a landowner to keep his land waste for sporting purposes and so deprive the rural labourer of all access to the land. The landowner who will not build houses is rewarded for assisting the growth of slums by being relieved from rates. The landlord who erected a fine building is taxed ever so much more heavily than if he had run up a hovel.

The existing tax system, both for local and Imperial purposes, so far as it affects land, is undoubtedly a monumental injustice between individual and individual and a gigantic social evil. There will not be a new heaven and a new earth when it is put right, but there will be a notable advance to a healthier and more rational society. Many modes of reform can be suggested, but the foundation of all must be to make land values and not the buildings upon land the basis of land taxation. To charge the buildings as we do now is to penalise capital and enterprise, and make neglectful and wasteful ownership a privileged excuse for exemption. The taxation of land values must apply to agricultural not less than to urban land, for the evils of the present system are at least as strongly felt in the country as in the towns. One part of the reform should be the transference from local to national account of costly services like education and police and roads, which are essentially national in character. But the radical change must be the transference of taxation from improvements to land values, and the Budget's valuation register will supply the instrument for carrying through the transference.

TAXATION OF LAND VALUES OR STATE OWNERSHIP?

JOSIAH C. WEDGWOOD, M.P., IN THE
"MANCHESTER GUARDIAN."

For the past two or three weeks a most informing discussion on the Land Question has been carried on in the columns of the MANCHESTER GUARDIAN, in which the advocates of land values taxation have had a large share and have succeeded in carrying out a most useful piece of propaganda work. On the 19th August, Mr. Josiah C. Wedgwood, M.P., has the following letter, dealing with the question of State Ownership:—

If the State buys the land, it must buy at the same time the improvements on the land—houses, factories, and agricultural improvements. It cannot leave a man with an absolute title to his house and at the same time vest the absolute title to the land on which it is built in the State; for if they chose to differ about the annual amount of rent or tax—call it what you will—we should be back with King Solomon and the baby. It is this difficulty that makes me think that the Land Nationalisation Society contemplate merely the State purchase of unbuilt-on and agricultural land, but they have never, so far as I am aware, made this clear.

I leave out of account the difficulty of raising the money for complete or partial purchase. The next step is to consider how the State will use the land and improvements so bought. Your true Socialist would probably say that the State should then operate the land itself—let and repair the houses, run the factories, operate agricultural land on a large economic scale with direct labour under duly qualified officials—quite like the Post Office over again. If that is not done, what is the State to do with its land? Obviously it must let it out to persons who will make their profit out of it and put it to the most profitable use. First there will be the selecting of the desirable tenant (possibly an examination test to obviate any charge of favouritism), then the fixing of the right rent (the usual Commissioners will do this), then the fixing of the period of the lease.

Let me touch on the difficulty of the length of lease. Unless the State is to do all repairs an annual lease will not suffice for existing house property. The main difficulty of agriculture is the present insecurity of tenure; an annual lease will not give much satisfaction there. For land to be developed by buildings or improvements an annual lease is ridiculous—99 years is the very least that will ensure the profitable use of the land. If you give a man a perpetual lease—and political pressure would soon convert a 99 years' lease into a perpetual lease at the old rent—why then you have merely re-established landlordism in private hands.

These are practical difficulties in the way of State ownership of all land. The sentimental objections are that Englishmen do not like officials, and will object to a Department as a landlord far more than they do to a private landlord. You can talk to a man, you cannot talk to a Department; even a committee of well-meaning amateurs on a County Council, calling themselves the Small Holdings Committee, is more amenable and human than a Department at Westminster, with its inspectors in brass buttons.

State ownership of some land would bring in all these difficulties, and has other objections in addition. The selecting of land for purchase, and of individuals for compensation, would give rise to at least the suspicion of log-rolling and injustice. The State, developing its purchased property, would make, or possibly destroy, the value of the privately owned land alongside. Most serious of all, it would be impossible to levy a uniform tax on all land values. It would be too absurd that some should be taxed and others bought up. It is this last difficulty that has secured for "State ownership" so much support among the Whigs at the present time. They see in it another loophole through which to dodge the taxation and rating of land values.

Complete State ownership is an intelligible creed for those who love Socialism and the State and the bureaucracy. Individual ownership, subject to the payment to the community of that which the community creates, is also an intelligible creed. But partial State purchase is a piece

of opportunism to be recommended to, soon to be adopted by, the party of Conservatism and things as they are.

While land is not being put to its best use unemployment and poverty are being created. If, without adding one penny to the charges on property owners as a whole, we can so change our system of rating as to secure the better use of land, unemployment and poverty will decrease. It is against the landlordism that creates unemployment, whether it be private or State, that we are fighting. If we can secure the best use of land, so that there is a free margin where any man can get land rent free with security of tenure, then at last the working man will be able to bargain on fair terms with a master—he will be a master no longer.

THE NEW LAND MOVEMENT.

MR. R. L. OUTHWAITE ON THE LESSON OF RECENT BY-ELECTIONS.

In a letter to the DAILY NEWS and LEADER of August 10th, Mr. R. L. Outhwaite, M.P., writes:—

When the vacancy for North-West Manchester was announced the land values men who had carried North-West Norfolk, Holmfirth, and Hanley, and who coming in at the end had averted a humiliating result at Crewe, were prepared to rally to the aid of the Liberal candidate. The division provides such object-lessons in the need for land value taxation and rating reform that once the question had been raised the Tory candidate would have found it impossible to talk Insurance Act. Free Trade and the Taxation of Land Values *versus* Tariff Reform would within 24 hours have been the issue. But the candidate, his backers, and the MANCHESTER GUARDIAN decided to fight on a negative policy and to angle for the votes of Free Trade Unionists, and so the land values men decided to stand aside. Precisely the same thing happened at the South Manchester by-election, and the Government has received two staggering blows in the citadel of Free Trade which are the prelude to the loss of Lancashire unless different tactics are adopted.

My object in writing is to point out that the land values propagandists have determined to pursue a definite policy. They know that only the Taxation of Land Values can effectively rally the democratic forces; after long years of officially disregarded work they have come into their own; during the last four years, largely owing to the generosity of Mr. Joseph Fels, they have spent some £30,000 in educational work, and they are not going any longer to act as vote-catchers for candidates who only give lip service to their cause.

When a Liberal candidate determines to fight on the memorial policy which has been adopted by the party organisations of England, Scotland, and Wales, every effort will be made to aid him against Tory or Socialist opponents. I believe that only in this way can Liberalism be saved, and that if party organisers do not quickly realise what it is the electorate wants and put forward candidates to advocate it the Government will suffer defeat after defeat and be driven from office before the great measures it has in hand can reach the Statute Book.

"THE MANCHESTER GUARDIAN" ON THE LAND VALUES CORRESPONDENCE.

Public Income from Land Values.

The following is taken from the leading article in the MANCHESTER GUARDIAN of August 21st:—

The wide range of our recent correspondence upon the Taxation and Rating of Land Values opens up various issues of principle, of concrete fact, and of policy or tactics. It is interesting, however, to observe that none of our correspondents maintains what may be termed the absolute "rights of property" view. That land values, attributable to the inter-play of natural scarcity and public activities and needs, can properly be called upon for a larger contribution to national and local revenue than other forms of ordinary property is commonly accepted ground. Nor does any one deny that a public policy may legitimately be directed to evoke the fullest and most beneficial use of all sorts of land, urban, suburban, rural, and mineral. There exists, however, a wide divergence of policy between those who hold that a proper system of rating and taxation will do all that is required and those who hold that public ownership of all the land or parts of it is the only true and

safe solution. A third section favours a mixed policy into which public ownership and taxation both enter, supplemented in the case of rural districts by a housing scheme assisted by a minimum wage. A few writers have taken issue with the economic principle which underlies all proposals for taxing land or for shifting rates from improvements on to land—viz., that a tax on rent or land values cannot be shifted. Some are sure that the owner will always put it on to the rent he makes the tenant pay. Now, there doubtless exist enough cases where, the full economic rent not having been previously extracted, an increased tax or rate would thus be shifted from landlord on to tenant. But the least reflection, fortified by consultation of economic authorities, will bring any one to recognise that such cases must be the rare exception, not the rule. As a rule owners of land, especially in towns, already get the highest rent they can induce tenants to pay, or nearly so, and they would not be able to put up the rent to compensate for higher rates or taxes imposed on them. Tenants could not afford to pay the higher rent and would not be obliged to do so. For if a single landlord owns the whole place, he or his agent is already extracting the full economic rent tenants can afford, and if there are competing landlords and somewhat lower rents it will not pay any one of them to raise his rents and gradually to drive his tenants or would-be tenants on to other estates. From the days of Ricardo it has never been seriously argued that taxation imposed on the rent or value of land, as distinguished from houses and other improvements, can be shifted by the landowner.

We believe that a gradual shifting of an increased share of rates and taxes on to site values will have many beneficial results. Besides lightening the burden which sometimes falls oppressively upon houses and business property, it ought to bring more land into advantageous employment, stimulate building, lower house rents, increase employment on the land, and last, not least, tend to the raising of wages alike in town and country. But we are not disposed to hold that, unsupported by other constructive measures, it will go so far in any of these directions as its most sanguine advocates contend. While admitting, with one or two of our land-taxing correspondents, that there is a certain opposition between the policies of public ownership and taxation, we do not agree that the conflict is of such a nature as to preclude the utilisation of both methods of reform.

"THE SCOTSMAN" AND THE UNITED COMMITTEE.

The following leading article appeared in THE SCOTSMAN of August 15th:—

"A determined attempt is being made by the body calling themselves the United Committee for the Taxation of Land Values to revive in this country the discredited theories of Henry George. When it suits them, the Radical Land Values group disclaim the name of Single Taxers, and on their behalf it has been indignantly repudiated by Ministers, but it appears from their latest annual report, which was issued yesterday, that they are not only Single Taxers, but Single Taxers after the peculiarly pernicious model of the American economist. The frankness with which this is avowed in the publication mentioned is matter for surprise, and denials of the ultimate goal of their ambitions can no longer be credited. Not only, it seems, are many of their speakers declared and enthusiastic Single Taxers; but they are carrying on under the auspices of their local branches an educational propaganda which is confessedly based on Henry George's most characteristic accumulation of economic errors and fallacies, PROGRESS AND POVERTY. 'During the year,' the Report states, 'considerable developments have taken place in the teaching of political economy under the auspices of the various leagues, and more than 750 students have learned the truths so clearly stated in PROGRESS AND POVERTY.' To speak of a course of lectures in Henry George's PROGRESS AND POVERTY as the teaching of political economy is a misuse of terms which only consummate ignorance of economic theory can explain. But nothing else is to be expected of a body which finds the highest measure of praise it can bestow upon its adherents in the name of 'Single Taxer.' 'Mr. M'Guigan,' we read, 'is an ideal Single Taxer and a politician of the first water'—whatever that slang epithet may mean. Other three lecturers are all 'ardent Single Tax men.' Another who