

## TAXATION OF GROUND VALUES IN ENGLAND.

From a speech of Mr. Billson, M. P., at the meeting of the National Liberal Federation at Nottingham, as condensed by the Liverpool Financial Reformer, the subject under discussion being a resolution urging the just taxation of ground values and mining royalties, the extension of the system of small holdings on the lines already adopted in the case of allotments, and compensation to town and country tenants for permanent improvements made during their tenancy and for disturbance. The resolution further declared the urgent necessity of taking adequate measures for the proper housing of the working classes in town and country alike, to secure which legislation was imperative on far more comprehensive lines than those of the government bill now before parliament.

I would remind you, as showing the value of these meetings, that that conference boldly declared for this reform before there had been any widespread examination into its details. It has been of the greatest service in encouraging those of us who have been engaged in disseminating this doctrine, and who, but for it, would have seemed a voice crying in the wilderness. You are the witnesses how much it has grown upon the imagination of our supporters, and of the public. It meets with a very general acceptance. Municipal and other local bodies have taken it up. The Association of Municipal Corporations has passed a resolution in its favor, and this session three or four bills are before parliament to carry it out. The constantly growing burden of taxation increases the call for it. Private bills, we know, are not likely to lead to practical legislation, but what we wish by all the resources of propagandism at our command is so to influence the radical party that when we once more return a radical chancellor of the exchequer, we may rely upon his making it his business to secure for us this great and beneficial reform. And in these days, when some matters of pressing public interest do not lend themselves to party agitation—or at least do not receive a united support, being indeed questions appealing rather to personal temperament than to party allegiance—in such times it is all the more important to keep clearly before us those matters affecting the social welfare, on which we are all united, and, I believe, passionately eager.

There are two points in the matter which I would briefly urge:

1. The argument to show that ground values are a peculiarly suitable subject for taxation.

2. The widespread social advantages that may be expected from the pressure of such taxation.

1. I hold that this would be an ideal tax. It is not an impost in hindrance of trade. It will restrict no industry. The tendency of all other taxation is to injure the free use of the commodity on which it is placed. Tax tea and the tendency is for less tea to be consumed, and therefore less imported or grown. Tax machinery, and less machinery is made. Tax imports or exports, and there will be fewer imports and exports. Tax articles of luxury in carriages, and you burden the carriage industry. But land cannot be lessened.

I suppose no form of taxation can be less objectionable than the tax on a monopoly. Here is a monopoly, a privilege conferred by the state on private owners. And what the owner pays is not a burden on its use, but a return for the benefit the state has conferred on him. All other taxes fall on the using, and to that extent injure the using. Here the tax is on the unprofitable holding, not the profitable using, and its effect is to encourage the most profitable employment, instead of the thriftless unuse.

It gives the maximum of certainty. The ground is there, and cannot be hidden. It gives economy of collection. It is an ideal war tax, for it is direct, and a man who supports extravagant foreign policy will know what it costs him, instead of having it huddled up with the tea he drinks or the tobacco he smokes. It is in accordance with traditional liability. All grants of land were originally for service rendered. The defense of the state was the primary burden.

I have said it is a return for the benefit the community has conferred. We see this clearly enough in local expenditure, when all the years of payment by occupiers has but redounded to the aggrandizement of the landowner. But it is just as real from a national point of view, for the peace, the safety, and the good government of a state are the conditions of the land having any value at all. Land value is the natural measure of the benefit derived from expenditure, whether national or local, and so land value should be the natural measure for the levy of taxes or of rates.

You speak of a shop in a busy thoroughfare increasing in value. It commands more rent. But the structure is of the same value whether the land is worth £1 a yard or £50 a yard, for if the shop is burned down the cost of repairing it is the same in either case. It is the land it stands

on, and that alone, to which the exertions of the surrounding community have given a special value.

2. The second point, the beneficial social results of such a form of taxation is, I am sure, patent to you all. Our towns are fenced in as by a ring of iron; our workers are crowded into unwholesome squalid streets and lanes, because the landowner in the suburbs is waiting for his price. You cannot compel him to sell—unless, indeed, a gas or water company, or a railway company need his land, and then they obtain compulsory powers, and buy at a compulsory price. We do not want to resort to that expensive machinery. We want something which will apply a gentle stimulus.

I find a curious analogy here with the conditions which seem to prevail in the gold fields. There the need is for native labor. But the natives can live without labor, or with very little labor, and, unreasonable beings that they are, do not see that they should work harder than they want to work, merely to make foreign capitalists a good deal richer. So these foreign capitalists descend on the good that would be done to the natives themselves if they were obliged to work, and so recommend that enough taxation should be imposed upon them to make it necessary for them to work a little harder. Well, that's just the sort of friendly pressure we want to bring to bear on the landowners. Just enough to make it necessary for them in order to pay the tax to bring their land in for the public use, and not leave it lying idle. And surely that is a much more justifiable application of compulsion!

I believe we are not too sanguine when we look forward with hope that the application of this principle in building land, in allotments, in small holdings, in the keeping of people on the soil of the country, instead of them crowding the towns to congest the labor market, would do much to solve the most pressing of our social problems.

But the pressing question for us all is how shall we best make progress? The first step is to establish a separate assessment. Do not believe in the assertions of impossibility with which we are inundated. Even now vacant land is valued for estate duty. All leasehold vacant land has been valued for 50 years. And occupied land is worth just the structure and the site, with the structure subtracted—and a structure is easily valued. I believe the easiest way to secure the adoption of this principle is to take the present system and extend it. Urge that un-

occupied land shall be included for rates, and that it shall pay on its fair value for property tax. Here we have at once the adhesion of the municipalities, and a simple bill of three or four clauses—if only we could get it to a second reading—would secure large support from the other side. So urge your members to ballot for such a bill.

The chancellor of the exchequer suggested, when last week I took advantage of the finance bill to urge that this principle should be applied to property tax, that if land were rated it would be for local purposes. Let us then try this. I need not tell you how strong the case is. In Halifax I hear that the inclusion of unoccupied land would ease the rates by 1s. 6d. in the pound sterling. We have to satisfy the small landowner that his rate will not be raised. They will, in all cases when the land is fully occupied, be reduced. It is idle land, or land not occupied, according to its best use, that will pay.

Consider the anomaly of the present situation: if a man leaves his land idle, he is allowed to keep it all to himself. If he builds, the community comes down on him for one-third of its value, and not only of its value, but of the value of the building he puts on it. Thus industry is taxed, simple ownership is favored.

In the city of London the deduction of 15 per cent. for repairs means that £670,000 a year of the value escapes taxation altogether, although it is used. All legislation has favored the land, because it has been enacted by landlords. In moving the resolution I venture earnestly to hope that the delegates present will go home to their respective localities, and urge the electors to examine carefully the merits of the suggestion we make, in order that at the earliest possible date so wide-reaching and beneficent a reform may be enacted for the common benefit.

No man is good enough to govern another man without his consent. . . . Our reliance is in the love of liberty, which God has planted in us; our defense is in the spirit, which prizes liberty as the heritage of all men, in all lands, everywhere.—Abraham Lincoln.

Mark H.—I saw Teddy to-day, and he still refuses to be our candidate for vice president. He harps on his foolish assertion that he will never play second fiddle for anyone.

Tom P.—I should like to know what he is doing now. G. T. E.

BOER ENVOYS.

For The Public.

Had ye failed to learn that a direful disaster  
Has lately befallen our "land of the free,"  
That envoys ye come to us over the sea—  
Your lode star of hope our imperial master?  
Our ill news, methinks, should have traveled much faster,  
And warned you how futile such errand would be.

Ye could never have known that the British lion  
Has the weight of his paw on our nation's neck,  
Ever ready to swerve at his covert beck;  
Long before ye were born he had it to try on,  
But then it had men at the helm, like our Bryan,  
Not plotters and puppets to sneer at its wreck.

Ye are not first to fall, since our retrogression,  
With petition for peace at the White house door;  
They whose trust we betrayed had sought it before—  
Thrice hoping to gain the one rightful concession;  
Thrice coldly repulsed with a pompous profession  
In sanctified phrases, all false at the core.

Would ye turn from this fetish by money created,  
To the people, whose will he is setting at naught?  
Alas! they must bide by the image they wrought.  
For news of his treacherous war they have waited,  
Yet lies and concealment go on unabated;  
To what lower depths can a people be brought?

Well may history note your achievements with wonder,  
Such triumphs as warfare may never repeat.  
Well may we envy your glorious retreat.  
The greed of a tyrant may trample ye under;  
From homes ye could die for, may wrench ye asunder;  
But your death-grasp of freedom all nations will greet.

Proud record, that shames our most pitiful story:  
A boasted republic gone madly astray,  
A people who wait for its fall with dismay,  
A meaningless flag, with foul murder all gory,  
Floating over "our Islands," and nicknamed "old glory,"  
While our privileged robbers swoop down on their prey.

D. H. INGHAM.

Is thy person powerful and thine army great; make not on that account an inroad upon the land of thine enemy. To subjugate by thy valor every kingdom of the earth, it would not be worth while that a drop of blood should trickle to the ground.—Sadi.

"The president was right," exclaimed the exultant undertaker as he perused the bills of lading that had arrived from the Philippines, "trade does follow the flag!" G. T. E.

Competition is the form which the law of heaven assumes in a selfish world.—Rev. John Goddard, of Cincinnati.

BOOK NOTICES.

The June number of "Why" (Cedar Rapids, Ia.: Frank Vierth) contains a reprint of the most famous and most widely circulated single tax tract ever written, "The Case Plainly Stated," by H. F. Ring, of Houston, a well known member of the Texas bar. This tract was written in 1887 as a speech for delivery at a K. of L. celebration of the Fourth of July. A full newspaper report of the speech coming under the eye of T. L. McCready, then managing editor of Henry George's paper, the Standard, Mr. McCready gave it the title it has ever since borne, and published it in the columns of the Standard. In tract form it was then put out by the Standard, and has since in several different languages found its way all over the world. This concise but luminous explanation of Henry George's doctrines is a historical landmark in the cause which George originated.

In a pamphlet entitled "The Financial Plank of the Allied Reform Parties for 1900" (New York, 64 Fifth avenue: The Humboldt Library), George H. Shibley makes a comprehensive argument in favor of simply reaffirming the money plank of the Chicago platform of 1896, as against a specific demand in new terms for the free coinage of silver at 16 to 1. His reason is that inasmuch as the volume of money is now increasing and the price level rising or stable, an unqualified demand for immediate free coinage would be an abandonment of the quantity theory of money and consequently a reckless departure from the financial principles of the Chicago platform, which demanded free coinage expressly as a means of expanding the currency when it was contracted. In support of this contention Mr. Shibley makes a long but closely knit argument, illustrated with statistics of prices and money volumes.

Among the publications of the "Sound Currency" committee of the Reform club (52 William St., New York city), are three on banking, which are of special interest for both historical and economic reasons. Two by L. Carroll Root deal respectively with "deposit currency," such as checks, and the farmer's interest in the banking question. On the subject of deposit currency Mr. Root undertakes to explain the identity of bank deposit credits and bank note credits as money substitutes, and the advantages of their free interchangeability. His essay on farmers and banking is supplementary to the other, being an effort to show that bank note credits are peculiarly the currency of country districts while bank deposit credits are peculiarly that of cities. The third publication referred to above is by Everett Birney Stackpole and relates to the history of state banking in Maine.