THE LIBERAL LEADER

ON

THE TAXATION OF LAND VALUES.



SIR HENRY CAMPBELL-BANNERMAN.

From References made to the Taxation of Land Values by Sir HENRY CAMPBELL-BANNERMAN in Addresses delivered at Keighley, Leeds, House of Commons, Bolton, Newport, and Glasgow.

PRICE ONE HALFPENNY.

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"I hope to see Societies formed calling upon the Legislature to revalue the land, and put a taxation upon it in proportion to the wants of the State."—Richard Cobden, 1841.

The Ring Fences of Land Monopoly.

Speaking at Keighley, 9th December, 1902, Sir Henry said:—

"Why should we rest satisfied with our ring fences, which in the great centres of population are put round the town, beyond which people must go to have freedom to build? I have been speaking in the other hall about Free Trade, and the existence of overcrowding is to a large extent due to the maintenance of the same sort of restrictions and privileges at home as Free Trade has abolished in connection with our international commerce. Why should the owner of land gain by the exertions and industry and the enterprise of other people without any corresponding effort on his own part? Let him pay his share. Let his land be taxed and help in meeting the expenditure, and assisting the prosperity of the nation by which he profits. This seems to me in itself perfectly equitable, and it will have the immediate effect of putting an end to the immunity of the landlord now enjoyed, and the circumscribing of national expansion, and driving away from the towns industrial development. Nothing short, in my opinion, of taxation of land values will suffice to get at the root of this great matter, so vitally essential to the health and prosperity of the country."

The Balance of Equity.

Speech at Leeds, 19th March, 1903:—

"It may accurately be said that there is practically but one great impediment in the way of a sweeping improvement which would elevate the physical and moral welfare of the people. What is this? It is the interest and the overdue regard to the interest of the landowner and the political and social influence that he and his class can exercise, whether it be the slum owner extorting a preposterous compensation for tenements that ought to be indicted as public nuisances and removed at his expense, or whether it be the possessor of open land holding it up in order that he may gain the increment which the industry and energy of our people create. In these cases and all the classes, and in gradations of cases between them you have the public interest, and in antagonism with it the interest of the individual. You and I side with the public interest. Let the value of land be assessed independently of the buildings upon it, and upon such valuation let contribution be made to those public services which create the value. This is not to disturb the balance of equity, but to redress it. There is no unfairness in it. The unfairness is in the present state of things. Why should one man reap what another man sows? We would give to the landowner all that is his, but we would prevent him taking something which belongs to other people. Here you have, perhaps, the clearest example in present politics of the cardinal, abiding, and necessary difference between

the Liberal party and our opponents. It is here that lies the chasm yawning between us, athwart almost every public question."

A Question of Public Health.

House of Commons—Debate on second reading of Dr. M'Namara's Bill for the Taxation of Land Values, 27th March, 1903:—

"The most urgent matter of all seemed to be to break down the ring fence which was in some places established round a rising and prosperous community by the owner or owners who withheld their land from building in order to gain the benefit in the increased value. Public energy or private enterprise increased the value of the property, and why should it not be assessed? They wished to prevent the occupiers from actually suffering in their health, comfort, and convenience by the action of such owners, for suffering was caused and an insanitary condition of things was created by the circumscription of a community. Anvthing which tended to distribute the burden more equably, and to prevent such evils, deserved the favourable consideration of Parliament. This Bill represented a desirable reform in the interests, not only of urban communities but of the whole people, and he gave it his heartiest support."

Cobden's Ideal.

Speech at Bolton, 15th October, 1903:-

"Protection is not confined to foreign trade and to seaports; it has its relics all over the country. Our land system is not a perfect one; it is based on privilege, and the landlords who are applauding Mr. Chamberlain and flocking to his platforms are wise in their generation, for they realise that this policy will entrench the land more strongly than ever. We say that the land, or rather the value that the community, by its aggregation, by its industry, by its enterprise, by its public improvements, has given the land-must be made to have its fair share of the burdens now thrown upon industry. Our present land laws cause a greater drag upon trade and are a greater peril to the standard of living than all the tariffs of Germany and America, and even our own Colonies. We have got to set before ourselves in regard to the housing question the same ideals that Mr. Cobden had in view when he was dealing with the food of the people. We don't promise two pigs where only one exists; we don't tell you to give up beef and to take bacon; we don't recommend a diet of untaxed maize, such as is common in congested Connemara, nor on the other hand do we promise you untaxed houses within a few years. But what we do believe is that with even a moderate application of the principle of land value taxation something appreciable may be done to lighten the burden of house rent, to diminish the evils of crowding, and to relieve the pressure on manufactures."

The Question of Agriculture.

Speech at Newport, 30th November, 1903:-

"There is the question of urban rating. There is the land system, so far as it puts impediment in the way of those who desire to live on the land and to work it. Now, what is our rating system, to take it first? It is a tax upon industry or labour, upon enterprise, upon improvement; it is a tax which is the direct cause of much of the suffering and overcrowding in the towns. And let us always remember this, that when we speak of overcrowding, overcrowding is not only a symptom but a cause of poverty, because it demoralises its victims, and it is largely caused by throwing rates off site values. The Protectionist tells us Free Trade has ruined agriculture. Let us first of all try the experiment of putting the people back on the soil, and encouraging them to engage all their energies in its improvement, and let us get rid of anything that hinders the development of agriculture; restrictions that we have outgrown and habits that belong to a patriarchal system ought to have passed away. The one is a policy which will add to the wealth of the country and set free fresh sources of energy; the other is a policy which, while it may make rich men richer, will certainly make poor men poorer."

The Alternative Policy.

Speech at Glasgow, 27th January, 1904:-

"But we have a still greater estate at home which is not half developed. There is the land question. Most municipalities are agreed that a revision of our rating system must be undertaken, and that the owners of site values—those who enjoy in an especial degree the fruits of the common enterprise and outlay-ought to make a fair contribution to the common charge. Among the municipalities which have been convinced by experience-sometimes by hard and unpleasant experience—of the necessity of this reform, this great city of ours-as I am glad to call it-is the most conspicuous, and when the time comes to deal with this question the series of conferences initiated by the City Council of Glasgow, although the conferences were not assisted by a Commission, will be of the utmost value. The rating of site values, let me say, is not a mere question of the apportionment and incidence of the rates. It goes to the root of the most pressing and most neglected of social questions. What is claimed for it, and rightly is, that its effect will be to increase the supply of houses and improve their quality, and to reduce the rents, which in many cases are artificially high, and a cause of widespread impoverishment to the people. Now, which do you say is the better policy? Which is most likely to conduce to the comfort and wellbeing of the people and to the health of the children? A policy that will increase the number of homes and reduce the public burden on the poor man's house; or the policy which, while it leaves the land monopoly untouched, will make houses dearer by taxing building materials and food dearer by a universal food tax? No, I made an error—not a universal food tax—pig's flesh and pig's food are both exempt.

"Is there a single reform, or class of reforms, more to be desired

than one abolishing or greatly mitigating the scandal which attaches to the richest country in the world, so long as tens of thousands of our citizens, strive as they may, are unable to win for themselves shelter worthy of the name of home? I know I am speaking in the presence of men who have wrought day and night to cure this evil in past years. That is the state of things to-day, and we have no business to be content with it. It is a source of misery and demoralisation. Take the drink traffic. There is no one with a fuller appreciation of the evils of that traffic than I have, but are they greater than those of overcrowding? They may be more direct and more apparent, but after all is it not the case that with the public-houses especially in great part emptied, the excess we all deplore would speedily begin to abate if everyone had a house in which he could find comfort and take pride? So long as there is no comfort possible in a room for a man in this own home of an evening, I am afraid we may legislate, we may preach, we may talk on platforms, the public-house is the master of the situation."

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