

"OUR POLICY."

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacred to the individual all that belongs to the individual."—*Henry George.*

A PRACTICAL POLICY.

THE passing of the Finance Act, 1909-10, marks an important stage in the progress towards our goal. The long struggle for a Valuation Bill developed into a great campaign over the whole battlefield of national politics. The progressive forces fought and won at the General Election on the proposal that land everywhere should be valued apart from improvements.

What we have won in the Budget is a first-rate Valuation Bill. The "Duties on Land Values" imposed by the Finance Act, 1909-10, are of very small importance compared with the valuation. Many of us would not be sorry to see them disappear another year, and give place to a proper uniform annual levy on all land values without exception. The immediate point, however, is that as they stand they do not prejudice further schemes, inasmuch as they hardly touch the fringe of land values. The Increment Value Duty and the Reversion Duty affect only a small fraction of future increases in land value and do not touch the huge values which the public by its presence, industry, and expenditure had created prior to the year 1909 and is re-creating year by year. The Undeveloped Land Duty is only a belated removal of an old inequality. Professor Marshall says it is sound finance because "it proposes to bring under taxation some real income, which has escaped taxation merely because it does not appear above the surface in a money form." It will only put the owners of undeveloped land on something like a fair level with other landowners. Their contribution will still be less than they should pay to put them on the same footing as other owners who are paying Income Tax under Schedule A, as $\frac{1}{2}$ d. in the £ on the capital value of the site amounts to less than the 1s. 2d. in the £ on the yearly value of land which is being paid by owners of developed property.

These duties, therefore, do very little to carry out the policy which underlies the Budget proposals, namely, the transfer of public burdens on to public values, and the freeing of industry from the deadweight of taxation and the

fetters of monopoly. To give practical shape to that policy by using the valuation provided by the Budget is the need of the moment.

The reform of Schedule A of the Income Tax, by taking land values alone as the basis of assessment, is well worthy of consideration, but the administrative difficulties involved in such a course would seem to be greater, and the practical relief less, than in making the new levy on land values available to relieve the pressure of our present rates.

The municipalities of the United Kingdom have long determined that the working ratepayers must be relieved at the expense of the owners of unearned gains, and that progress and improvement is only possible if the obstructive power of monopoly is broken down by taxation on the true value of land whether used or unused.

At the same time the claim of rural districts to relief is undeniable and must be faced when the Agricultural Rates Act expires and the question of the readjustment of local and national finance comes at last to be dealt with in a systematic manner. Last week (21st June) a Municipal Deputation approached Mr. Lloyd George with reference to the allocation of the Land Values Duties, and asked that further sums should be allowed to local authorities in respect of expenditure on national services. Mr. Lloyd George said, in reply, that the whole question of local taxation had got to be sifted to the bottom, that the present position of affairs was most unsatisfactory, and that the local authorities should consider the whole problem from the point of view of broadening the basis of taxation.

Agriculture also requires and is entitled to the same relief as the building trade and all other industries, and must be freed from the burdens of rates which now penalise and prevent enterprise and development. At the same time if the fair share of taxation which should be borne by rural districts is left to fall upon the true value of the land apart from improvements and without regard to actual use or non-use, cultivators will at last have the chance of obtaining land on fair terms which will admit of financial success.

Lastly, the case is urgent for the remission of the present taxes on the food and comforts of the poor, which while they exist give to the Tariff Reformers their one plausible argument for tariff-mongering and pretending that protective taxes can be imposed which will not increase the cost of living.

We therefore advocate the following policy :—

1. To free from the burden of rates

- (a) Dwelling-houses in town and country, and
- (b) Factories, workshops, mills, mining-works, shops, warehouses, offices, and all industrial and business premises, and all farm buildings and agricultural improvements ;

Leaving expenditure to be raised on the basis of the value of land everywhere, apart from improvements, and whether used or unused ;

Thus making public values available for the public benefit, and breaking down the barriers which land monopoly now opposes to municipal, industrial, and agricultural development and enterprise ;

Relieving the building trade from a tariff which restricts production, and making it possible for more, better and cheaper dwellings to be provided in towns and villages, and creating a fresh demand for labour in the building and all the allied and auxiliary trades ;

Securing greater facilities for the cultivators of the soil, and making small holdings and allotments obtainable on fairer terms ;

Causing land everywhere to be used in ways more advantageous to the workers ; and

Freeing industry of all kinds—agriculture, mining, forestry, manufacturing, engineering, public works, transport, distribution—from burdens and restrictions, and extending the field for the remunerative employment of labour and capital in town, suburb and country.

2. (a) To give effective relief to the poorer (rural) districts from the excessive burden of rates which now falls on them in providing for what are largely national requirements ;

Thus making national services a national burden, and distributing that burden according to ability to bear it ;

(b) To secure for the agricultural industry a genuine measure of relief in the place of the dole to agricultural landlords under the Agricultural Rates Act ;

Thus giving to agriculture at last the fair treatment to which it is entitled equally with all other industries.

3. To abolish the taxes on tea, sugar and all foods and comforts of the poor ;

Thus cheapening the cost of living for the mass of the people.

To carry this policy into effect we suggest the following practical proposals :—

To secure the early completion of the Valuation of all Land apart from improvements provided for by the Finance Act, 1909-10, and to make such Valuation public, and to utilise it by

1. Empowering local authorities to levy rates on the basis of that valuation to pay for the local services and local improvements which create and maintain Land Values ;

2. Levying a Budget Tax on all Land Values, to be applied

- (a) In providing a national fund to take the place of the present Assigned Revenues or Grants-in-Aid of Local Taxation (including the Grant under the Agricultural Rates Act), to be allocated towards the cost of such services as Education, Poor Relief and Main Roads, which though locally administered are national in character, in such ways as are just having regard to the needs and the resources of the various districts ; and
- (b) In providing the amount of the remitted Duties on tea, sugar, and other articles of food and comfort.

CROMPTON LLEWELYN DAVIES

AN IRISH LANDLORD'S PUZZLE.

SELECT COMMITTEE OF INDUSTRIES (IRELAND) 1885.

Evidence of Sir Robert Kane, examined by Colonel King-Harman, 11th June, 1885.

Q. Have you any knowledge of the system which exists in the West of Ireland of giving enormous fortunes to the daughters ?
—A. Yes ; that impoverishes the farmers very much, and leaves them without the means of properly working their land.

Do you know that system to prevail anywhere else except in Ireland, of a farmer starving his land in order to give an undue proportion to his daughters ?—I am not familiar enough with the domestic economy of different countries to be able to say, but, as far as I know, in France it does not exist.

In the West of Ireland especially, the land is impoverished in consequence of the desire to give too large a portion to the daughters ?—That is one cause of the abstraction of capital which might be profitably employed in its working.

By Mr. SEXTON :—

Does not the fortune taken out of one farm usually go into another ?—In this sense, that it probably assists the son-in-law in getting a farm somewhere ; he probably pays that as a fine, and enters upon the occupation of a farm with very little more capital than if he had not got the fortune at all.

Or, if he is a farmer, as a farmer's son-in-law usually is, the fortune enables him to work the farm ?—That might be so.

By Colonel KING-HARMAN :—

Do you know that the money which goes from the land to the son-in-law, as a matter of fact, does not come back to the land ; that it is one of the puzzles to know where it goes to ?—I certainly believe that in very many cases the money is not employed in the improvement of the farm, but I cannot undertake to say that I know what becomes of it.

INTERNATIONAL FREE TRADE CONGRESS.

An International Free Trade Congress will be held in Antwerp on 9th, 10th, 11th, 12th August. A paper will be read by Mr. Fredk. Verinder on behalf of the United Committee on "The Relationship of Land Values to Free Trade." The United Committee will be glad to receive immediate notice from anyone free to attend as their delegate.