

DEMONSTRATION OF PROTEST AGAINST THE BUDGET

CENTRAL HALL, WESTMINSTER, 9th JUNE, 1920

Resolution adopted:—

This meeting protests against all taxes which penalize production, interfere with exchange and increase the cost of living; and condemns the Government for not taking advantage of the Budget of the year to levy a direct tax on the value of all land in place of the unsound and ill-conceived land value duties now to be repealed, and in substitution for the heavy burdens imposed on the earnings of industry and the food of the people.

A Public Demonstration, under the auspices of the United Committee and the English League for the Taxation of Land Values, was held in the Large Central Hall, Westminster, on June 9th. The object of the Demonstration was to protest against the Budget and the Omission of a Tax on the Value of All Land. Nearly 800 people were present.

The proceedings began at 7.45 p.m., and were preceded by an organ recital, rendered by Mr. J. A. Meale, F.R.C.O.

Mr. P. Wilson Raffan, M.P., presided, and was supported on the platform by Messrs. Jas. Dundas White, LL.D., ex-M.P.; H. G. Chancellor, ex-M.P.; James Sexton, M.P.; Andrew Maclaren, Prospective Labour Candidate for Wimbledon; Frank Smith, London; ex-Bailie Peter Burt, J.P., Glasgow; Chas. H. Smithson, Halifax; Cyril James, Australia, and others.

The Lloyd George Land Campaign

THE CHAIRMAN said that if they threw their minds back a few years, the great question which over-shadowed all others in British politics was the demand of the people for the restoration of their rights in the land, too long denied to them by landlord Parliaments.

In the autumn of 1913 and in the spring and early summer of 1914, the present Prime Minister, Mr. Lloyd George, was conducting a great campaign, a great land campaign. He hoped that the speeches made in that campaign would be published. He would content himself at the moment with some brief extracts from these declarations. In October, 1913, to a Conference at Cardiff, for promoting the Taxation of Land Values, Mr. Lloyd George sent this telegram:—

Success to your meetings. The future of this country depends on breaking up land monopoly. It withers the land, depresses wages, destroys independence, and drives millions into unhealthy dwellings which poison their strength. God-speed to every effort to put an end to this oppression.

A little later, in February, 1914, Mr. Lloyd George addressed a great meeting in the City of Glasgow, when he said:—

The Valuation under the Act of 1909 secures for the first time a real value of the land and of the structures thereon separately, and I can assure you that we mean to make use of that Valuation. I cannot imagine there being any doubt in anybody's mind on the subject. I wonder why they think we had that Valuation unless we meant to use it. The present system is not merely deficient because it does not rate property on its real value; it is deficient in another respect, it discourages improvement.

Again in May, 1914, Mr. Lloyd George in the House of Commons went further, and said that not only was it

proposed to carry the Taxation of Land Values for national purposes, but that this new source of revenue would be available to the local authorities. He said:—

We are of opinion that a national system of valuation for local taxation must be set up, a system which is fair and more equitable and more impartial between classes and localities and persons than at present. We propose that this valuation should be the valuation or the assessment of the real value of the property separating the site from the improvements. We do intend that the taxation of site value shall henceforth form an integral part of the system of local taxation.

The Present Need

That was the position in August, 1914. How had the war altered matters? Mr. Raffan's view was that the result of the war had been to give the case for the Taxation of Land Values a threefold reinforcement. The need for revenue was greater, the fund available was larger, and the claim of the people to participate in that fund was infinitely stronger. The need was great, clamant, and required no argument with a Budget which ran to over £1,300,000,000, with local rates averaging something like 15s. in the £, and running in some districts up to 20s. in the £ and over. That the fund was larger also required no argument. The value of agricultural land had doubled during the terrible years of war, and in our great cities they saw the prices demanded and paid for sites that were unheard of in recent years.

A Great Betrayal

What did this Government propose to do? Not to increase the levy upon land values, but to abolish the small levy that had already been made; to pay back every penny of the Land Value duties; and, worst of all, to scrap the Valuation which had been put together with so much care and cost. The apparent object was to render the task of Land Values Taxation more difficult if a Government came into power which took a different view of the situation. This was a great betrayal. They were told that the present Government was not responsible for the position taken up by the Government in power in 1914; that there was now a different Chancellor of the Exchequer. Yes, there was a different Chancellor of the Exchequer, but the man who was Prime Minister to-day was the man who was carrying on the land campaign in 1913.

A New Land Campaign

He hoped that theirs was not only a meeting of protest. He hoped it would be the beginning of a new Land Campaign, and one that, with or without leaders, would go forward unshackled by the compromises

which had defeated them in the past, a campaign that would go steadily forward till an enfranchised democracy had demanded effectively their rights to the land which God had given them and to the values which they themselves had created.

Just Principles

Mr. J. DUNDAS WHITE, LL.D., in moving the Resolution which is set out above, said that the land which Nature had provided ought to be treated as common property, that those who held the land ought to pay to the people a rent proportioned to the market value of the land that they held, that there should be no taxation of houses or other improvements, and that free course should be given to production, distribution and exchange. This system of land taxation would be the opposite of the present one. Under the present system a man is taxed not on the market value of the land that he holds, but on the value of the use that he makes of it. If he uses it only a little he has to pay only a small tax; and, if he holds it out of use, he is practically excused from taxation. If, on the other hand, he puts up houses or improvements, the assessment is raised and the tax increased; and the better he builds and the more he improves, the higher the assessment and the heavier the tax. This system is doubly bad, because on the one hand it facilitates the withholding of land from use, and on the other it places heavy penalties on the building of houses and in the making of other improvements. The proposed system would have the reverse effects. To tax those who hold the land according to the market value of the land that they hold whether they are using it or not would put a stop to the withholding of land and would make the natural resources of the country available for use; while the untaxing of houses and other improvements would promote building and stimulate production.

What is Land-Value?

It was well known what land-value was. Take as an illustration the place where they were. If they were to remove the roof and the flooring, to demolish the walls, to root up the foundations, to obliterate everything that industry had placed on, in or under the surface, what would they have left? A certain portion of land in an important position at the heart of the Empire, which, if in the market, would command a high price. Any experienced valuer could state the amount with considerable accuracy. The land could be valued equally well while the building was there. The value of the land apart from the building was the value that they proposed to take for public needs. The land was placed there by Nature; its value is the result of the presence, industry and demand of the community; it is a true communal value which ought to be made available for public needs.

The Abandoned Duties

These principles were recognised in 1909, and the Government ought to have instituted the Taxation of Land Values. Instead of doing so they brought in four miserable substitutes which they misnamed "Land Value Duties." There was no need to speak of the Mineral Rights Duty, because it is to remain. But the other three duties are to be repealed. The first of them was the Increment Value Duty, which was a tax not on land-values, but only on the future increase of land-values after a certain date, and it was further narrowed by restrictions and exemptions. The second was the Reversion Duty, which was a tax on the value of certain leasehold reversions of both land and buildings. The third was the Undeveloped Land Duty, which was rickety from its birth, and had been in a state of suspended animation for the last six years.

Unsound and Ill-conceived

When the repeal of these Duties was being debated in the House of Commons, Mr. Asquith, who was responsible for them, argued that they were sound in principle and conception, and pronounced over them the epitaph of resurrection. Our position is wholly different. We maintain that these taxes were unsound in principle and conception, that they were sham substitutes for the real reform, and that they have not the least chance of being resurrected, because neither the supporters nor the opponents of the land values movement ever want to see them again. Even their title of "Land Value" duties was a misdescription and their most appropriate epitaph would be like the rather unkind epitaph that Robert Burns wrote on a certain shady character who had been nicknamed "the Marquis":—

"Here lies a mock Marquis, whose titles were
shamm'd;
If ever he rise, it will be to be damn'd."

No Mere Substitute Wanted

In the same debate the observation was made that it was a mistake to wipe these duties off the Statute Book without putting anything in their place. As one who had been a member of the House of Commons for a dozen years, he could assure them that among politicians "anything" might mean anything. They were not out for anything. They had had enough of anything. They were out for something, and that something was to compel those who hold the land which Nature had provided to pay the people a rent for it corresponding to its market value, and to stop the taxation of houses and improvements.

In every country the rent of land should be treated as public revenue, the natural resources should be made available for use, and the widest opportunities should be given to industry. Production, distribution and exchange should have free course everywhere. These developments would benefit every nation and would enable the people of each country to share the advantages of the others. They would prepare the way for international prosperity, and for international goodwill. They would lay the economic foundations of human brotherhood throughout the world.

Land Values for Taxation and Rating

Mr. CHARLES H. SMITHSON, President of the Yorkshire and Northern Land Values League, in seconding the Resolution said he would like to direct his remarks to that part which condemned the Government's proposal to abolish the existing Land Duties without at the same time retaining the principle of Land Value Taxation as part of the fiscal system of the country.

There was a perfectly easy course open to the Coalition: they could either impose a direct tax on the value of all land of the country in lieu of Schedule A of the income tax, or they could give local authorities the power to rate land values. This latter proposal ought to commend itself to a Coalition Government desirous of dealing with the principle on non-controversial lines. This power to rate land values had been demanded by most of the large rating authorities throughout the country, many of them dominantly Conservative in their composition. A Bill promoted by Municipalities asking for these powers was carried through a Second Reading of the House of Commons under a Conservative administration. Other Bills since then have been carried through a Second Reading with ever-increasing majorities, and Lord Robert Cecil, speaking in the Debate on the Finance Bill of 1909, said that he agreed that many gentlemen of Conservative opinions had pledged themselves in favour of the Taxation of Land Values as a substitute for the existing system of rating, and which in his opinion

was a perfectly easy and rational proposition. If the Coalition Government are desirous of recognizing the great popular feeling which undoubtedly existed throughout the country in favour of the Taxation and Rating of Land Values, they had a perfectly easy and rational method open to them of meeting that request by giving local authorities the power to rate land values. He would like the Chairman and other Members of Parliament to submit that side of the question in any further debates in the House of Commons.

The Stunt Election

Undoubtedly there was a strong feeling throughout the country for this principle. It was a feeling that was demonstrated at two successive General Elections, and the only election they had had since then was the stunt election of 1918, when the Government, taking advantage of the heated passions created by the War, asked for and received a mandate to hang the Kaiser and make Germany pay, and he ventured to say that while they have done neither of these things it would be an indefensible, discreditable and dishonourable misuse of political power if they interpreted the mandate of 1918 into an authority to scrap Land Value Taxation in this country.

Housing and Land Prices

Mr. ANDREW MACLAREN (prospective Labour candidate for Wimbledon) said that the present Government's function was to strengthen the vested interests, not to remove them. The Taxation of Land Values would become practical politics as a result of the unanimous demand from the people, and not from the activities of individual politicians. When the workers of this country came to realize the deadly and subtle influence of land monopoly on the one hand and the present system of taxation on the other then, and only then, would the Government face the problem of taxation and land monopoly.

The other day, Mr. Maclaren continued, he was asked to take part in a protest demonstration against the type of houses that were being erected at Malden under the Government's Housing Scheme. These houses were so small that, as one workman said, it would take a hero to live in them. In the borough of Wimbledon they had recently had two examples of how the price of land impeded general improvements. In one case they were asked to pay £1,050 per acre and £50 per acre for disturbance for building land which to-day was paying a mere nominal sum to local rates. The other case was one in which the landowner demanded £900 per acre. The Borough authorities refused to undertake building in this case as the land was too dear, and despite this the people still continued to rate him on the old agricultural value and encouraged him to withhold the land from building.

The Housing Question a Wage Question

Some people thought that we should set out on a campaign compelling all owners to produce title deeds and the like, but it seemed to him that a more expeditious way to carry through land reform was to accept the present position and say to all owners of land, "You shall contribute to taxes and rates according to the value of the land you hold, irrespective of the use to which it is put."

The Minister of Health (Dr. Addison) must know that although they might attempt to solve the land question by Governmental control and all sorts of devices and schemes, the other great question was still unattacked, and that was that the wages of the tenants were not sufficient to meet the rents demanded. That was why the speaker was in the Labour Party, because he was determined to get to grips with this basic monopoly,

which was the cause of low wages. They could not solve the housing question until they solved the wages question. The workers would have to realize that their wages would not be high enough to pay for houses that would be open, spacious, and with gardens. Increased wages could only be got when they combined to strike at land monopoly which kept in existence the army of unemployed. The land question attracted many of them not because it was a mere question of rating and taxing land values as against anything else, but because their country stood in a particular position at the present day. Central Europe was full of disease and starvation, and at no moment in the history of European civilization was it more necessary for this country to produce more wealth. The whole of Europe was calling for production, and even the politicians said "Produce more." The workers, however, would not produce more unless they got the full reward of the service they rendered in production, and that they are denied as long as privilege and penal taxation continue.

The Real Profiteer

Ex-Bailie PETER BURT, J.P. (Glasgow) said that when they proposed to tax land values, they heard some politicians speak as if such a thing as land value did not exist, that it was quite a small thing, not worth talking about. They had in this country a community producing wealth: how was it distributed? A certain proportion went in wages, another proportion in interest, another in taxation, and the balance to the men who owned these islands, and these very men encourage the capitalist and the labourer to talk about keeping down taxation and cutting down expenditure, because the more they did these things the more was going to the landowner. They had examples of great profits in commercial industries; the dividends were published and the public thought these firms were making terrible profits, but 75 per cent of their profit was land value. A great many of these firms bought their properties before the war, when prices were comparatively low and they were rated to-day the same as they were 15 years ago. If they were paying rents equal to those paid by the small shopkeeper they would not have anything like the dividends they are enjoying to-day.

A Glasgow Example

In Glasgow there was a shop which last May was paying £350 per annum. The lease was put up for sale, the property changed hands, and the new proprietor got an offer for that shop of £1,250 a year and refused to take it. Another person offered £300 a year for a strip, and he took it. He let off another strip for £300 a year, and the balance for £1,250 a year; all this for a shop that was realizing £350 a year a few months ago!

The value of land was increasing by leaps and bounds. Not only occupied land was going up, but unoccupied land as well. He was quite satisfied that the selling value of the land of this country was not less than £100 per head of the population. This was equivalent to a capital value of £4,500,000,000. On the top of that the people were paying £1,300,000,000 in Imperial taxation, and many millions in local taxation. The money was there, the wealth was there, the source of it was there, and all that was wanted to do was to take in taxation the value of land that belonged to all.

How Liverpool Suffered

Mr. JAMES SEXTON, M.P., said that on the outskirts of Liverpool, owing to the extension of the docks, the Dock Board had to pay an enormous price, something like £4,000 an acre, for a barren sea shore. Labour came to this district for work, and houses had to be built. Clay for bricks had to be got out of the land there, and the value of that land went up to £3,500 per acre.

In addition to that, for every 1,000 bricks that were made out of the clay a royalty of 2s. 6d. per 1,000 was paid to the landowner. When the claim was all excavated the land reverted to the landowner. He sent round to all the factories and notified them that they could dump their rubbish there for 6d. a load. After that the land was sold at enormous figures for building sites.

The whole social problem was a question of the freedom of the land of this country. Every municipal improvement they made only added to the value of land. They wanted a park in Liverpool, and the landowner there very generously gave them 32 acres of land that he had dug the bowels out of to make bricks. Nobody would give anything for it, but he gave it to them on the condition that they paid £32,000 to make it into a little park, and they did. The result was that their efforts raised the value of the surrounding land from £4 to £4,000 per acre.

On the one hand you have low wages and high rents due to land monopoly, and the reason they had the vicious circle was owing to the fact that the producer was penalized and the non-producer left alone. Let them lift the burden off industry to-morrow, tax the value created by the people instead of allowing the man who creates nothing to put the industry of the people in his pocket, and they would solve the vicious circle.

Exempt and Encourage Monopoly

Mr. H. G. CHANCELLOR gave examples of land in the City which changed hands the other day at £6,500,000 an acre, and he said that this value was being presented to the people for whom they went to war in order to secure their land from the attack of the enemy, on whose behalf the nation sacrificed 600,000 lives and on whose behalf many men were walking about crippled to-day. These people were selected for exemption from taxation when everybody else was suffering heavy taxation. It was not only a mistake; it was an outrage and a crime against the people of this country. Its effect was to make strong the hold of the owners of land and make the whole population more subservient to them than they were before.

The housing question was not the creation of the war. Housing difficulties existed long before the war, and what was the main difficulty? The main difficulty was to get sites at reasonable prices. Let them examine the case of the Vale Farm at Wembley. In the year 1910 this Farm was put up to auction, and consisted of 91½ acres. Tenders were offered up to £32,000, and the auctioneers said they would consider an offer of £45,000 for it. If that land was worth £45,000 to the owner, ought it not to be taxed and rated at £45,000? This farm paid rates in that district to the extent of £15, and the rates were only 6s. in the £. If that land was worth £45,000 it was not agricultural land, but building land. If it was not used as building land it ought to have been. If it had been rated as building land the landlord would have had to pay £539 in rates if he paid at the same rate as land actually built upon. Supposing taxation had been imposed in that way, would that land have been kept for agriculture or out of use, or would the owner have been begging builders to take it at reasonable prices? Thus people would have been accommodated with houses. Until they broke down the land monopoly which prevented houses being built and which prevented industry developing, they would only touch the effects and not the cause, and the evils would still persist.

Valuation in Australia

Mr. CYRIL JAMES, of Bendigo, Victoria, said that one of the commonest objections to the Taxation of Land Values was that it could not be done. This remark often passed as an argument, but the answer was that it was done. There were six States in the Commonwealth

of Australia, and every one of these States taxed the unimproved value of land. In New Zealand they did the same. Was it possible to separate between the unimproved and the improved value of land? The thing was very simple, so simple that the taxpayer had no difficulty whatever in filling up the necessary form. Was there any reason why it should not be done in England? It was a mystery to those living in Australia that it had not been done long ago. He knew that the Act was passed, and in Australia they were astonished to find that the *Government* intended to value the land, and that when it was valued they would impose a tax. Every site in Australia was taxed upon a valuation put upon it by the owner himself. The owner had to declare the value of his land, and upon that value the tax was imposed.

Land the Only Employer

The land got quickly into use as a result of the pressure of the tax. They could not use land without causing labour to be employed. It must be that when labour was unemployed, and when they had industrial difficulty and poor men eating out their hearts with anxiety, the land was debarred from employing them. There was no other conclusion that they could come to. It proved that if they wanted to attack the social problem they must begin at the foundation. Reconstruction was talked about a great deal to-day, but there was nothing in it if they did not reconstruct from the foundation upwards. What they found was that wages were taxed, the owners of capital were taxed, and the owner of land as owner, went scot-free. Why was that? He was there that evening to ask them to protest in no uncertain voice against the dropping of this principle of Land Values Taxation in the greatest Parliament House that the world had ever seen.

The Right Way

Mr. FRANK SMITH, who made the concluding speech, said they had heard what a lot of political frauds there were at present in the House of Commons. Did they believe that? How many of the audience, however, were responsible for putting these men there? There would be no free men without free land. How were they going to free it? (A Voice: "Take it.") How were they going to take it? Let them try to take it and they would find that the Government had the army, navy and police behind them. They could not take the land, unless they got the workers to fight for their freedom. He thought they could not get the land by force, nor by legislation nor by purchase, and the only way left for them was to tax it on its value. This was the cheapest, quickest, easiest and the best, and when they had done it it would be on a sound principle that could not be undone.

THE CHAIRMAN then put the resolution, and it was carried with only two dissentients.

During the evening a collection was made towards the cost of the meeting, and the contributions amounted to £10 4s. 4d. Literature was sold to the value of £2 1s. 4d.

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 contributions be made to those public services which create the value. This is not to disturb the balance of equity, but to redress 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.—*Sir Henry Campbell Bannerman.*