

COLONIAL AND FOREIGN

Two New American Journals

We have received the January and February issues of the new monthly journal *TAXATION*, edited by Stoughton Cooley, late of the *PUBLIC*, which recently ceased publication. The business manager is James R. Brown, President of the Manhattan Single Tax Association. The yearly subscription is \$1.00 including postage, and we commend this new venture to our readers. Its articles are informing and expound the policy of the paper as a call for economic justice.

The *SINGLE TAX REVIEW* announces that Mr. Francis Neilson and Mr. Albert J. Nock are to be the editors of a weekly paper, called *THE FREEMAN*, to be launched by Mr. B. W. Huebsch, 32, West 58th Street, New York City, on March 15th. As the *SINGLE TAX REVIEW* says, the names of Francis Neilson and Albert J. Nock are a sufficient guaranty that *THE FREEMAN* will be a real "journal of democracy." Both are single taxers. Mr. Nock is a versatile magazine writer. Mr. Neilson's loyalty to Henry George's doctrines and his ability to state them by voice and pen are known to Single Taxers the world over, and certainly require no pressure upon our readers to join the *FREEMAN*'s list of subscribers. The *FREEMAN* announces that "it will carefully follow developments in the industrial and commercial life of the United States, and will invariably discuss them from the viewpoint of fundamental economics." The post-paid subscription is \$6.00 per annum.

Canada

The *WINNIPEG TELEGRAM* of March 1st in a leading article quotes from the recently published report of the Manitoba Commission on Assessment and Taxation, which declares that real property taxation is the peculiar province of the local authorities. This is the best argument which the *TELEGRAM* can adduce against a Federal Tax on Land Values. The interesting feature of the article is the admission that the Federal Tax on Land Values and the abolition of the tariff is the first plank in the New National Policy of the Farmers' Party. It is the policy of the Council of Agriculture at Winnipeg and of the United Farmers of Manitoba. It has the seal of the Hon. Thomas Crerar who advocates it as one of the main reasons why he should be elected to the premiership of Canada.

On January 1st the property owners of Ottawa voted on the option, under the new Act, to transfer local taxes gradually from composite value to land value. The proposal was rejected by a vote of 4,457 to 1,597 of those entitled to vote. The franchise is limited to property owners.

The Ontario Single Tax Association had an interview a few days after Christmas with Premier Drury of Ontario. He promised a Bill to give the Ontario Municipalities local option in taxation. The Bill will contain these safeguards:

1st. It will not rest with a Municipal Council to advance this measure, but the voters by a petition of 8% or 10% may petition the authorities who would be required to take a poll.

2nd. All voters, whether tenants or owners will be eligible to vote.

New Zealand

The Hon. George Fowlds was a candidate for his old constituency, Grey Lynn, at the general election in December, but was not elected. He stood as the Liberal candidate, and polled 2,334 votes. In his opening campaign speech and in his election literature Mr. Fowlds made it quite clear that he was in the fight for a substantial advance in Land Values Taxation, arguing for an additional tax of 3d. in the £ on the unimproved capital value of the land. In five years, he said, quoting from the official returns from 1913 to 1918, the unimproved value of land

increased from £212,963,468 to £260,660,218, an increase of £47,696,750.

Mr. Fowlds is an old campaigner, and knows how to take an adverse vote. He is a man with a mission, and can readily devote himself to fields of enterprise outside Parliament. In this failure to win this election he seeks sympathy from no one, and certainly not from his co-workers in the movement at home or abroad. We who know the man know that he but responded to a call for a special service, and there the matter rests—for the time being. George Fowlds is still held in universal respect and esteem. He is a Liberal that has no use for the Liberal Party that refuses to recognise the justice and the expediency of appropriating the publicly-earned value of land for public purposes and the corresponding freedom of industry from the burden of taxation.

Three different places have recently resolved to levy local rates on the unimproved value of the land within their boundaries: the Borough of Cambridge by a vote of 153 to 61; Casterton by 227 votes to 120; Whakatane County by a vote of 319 to 166.

South Africa

We are officially informed that the Town Council of Bloemfontein (the capital of the Orange Free State) are promoting a Parliamentary Bill which will give power to municipalities to untax improvements gradually and ultimately to levy rates on the value of land alone. This is the outcome of a ten years' agitation and the proposal now has the approval of the Municipal Congress of the Orange Free State.

The rating of land values is in operation throughout the Transvaal. In Cape Colony all municipalities have power to levy rates on land values, and East London and Cambridge have adopted the reform. In Natal the movement has been taken up in Durban. Thus, throughout the Union of South Africa the proposal to rate land values is making great progress.

HOUSE OF COMMONS DEBATE ON LAND ACQUISITION.

Friday, March 5th.

Mr. STANLEY HOLMES (Lib.), in moving the Second Reading of the Land (Assessment of Compensation) Amendment Bill, called attention to Section 2, Sub-section (2) of the Acquisition of Land Act of last year, which provides:

"The value of land shall, subject as hereinafter provided, be taken to be the amount which the land, if sold in the open market by a willing seller, might be expected to realise."

He said that as a result of the pressure during the Committee stage and on the Report Stage in the House from Members on this side, the Attorney-General agreed to accept a proviso which was accepted at the end of the clause which reads as follows:—

"Provided always that the arbitrator shall be entitled to consider all returns and assessments of capital value for taxation made or acquiesced in by the claimant."

The Bill now before the House provides that instead of Sub-section (2) of Section 2 of the Bill of last year the following shall be substituted:—

"The value of land shall be based upon any returns and assessments for taxation made or acquiesced in by the claimant during the preceding three years."

There is one further proviso, which reads:—

"Provided that the value shall not exceed thirty times the annual value as assessed under Schedule A of the Income Tax Act, 1918."

This Bill applies to all land, and it is proposed that thirty years' purchase shall be the maximum amount. That is the amendment of the law proposed by this Bill. Instead of the value of the land being the amount at which it might be expected to be sold in the open market by a willing seller, it should be based on its assessment for taxation and duties during the preceding three years. If this is agreed to we shall get rid of one of the greatest anomalies with regard to land, namely, its two values—one for

taxation purposes, and the other when it is wanted for public purposes. There should be no difference. They should be the same.

Sir P. PILDITCH (C.U.): The hon. Member said he wanted to give a fair value. If he wants to give fair value he will have to devise other means when this Bill gets into Committee, if it ever does, in order to carry out the formula with which he started. At one swoop the provisions of this Bill take away from the owner of agricultural or accommodation land, which possesses a building value, now or in the immediate future, practically the whole of that value. Take a piece of land contiguous to a town which for the moment is let for allotments used for agricultural purposes at £2 a year. That could be purchased at not more than thirty years' purchase, which would mean £60. But that land may be worth £200 or £500 an acre for building to-morrow. (Hon. Members: Hear, hear.) I am glad to hear those cheers, and on those cheers I join issue. The hon. Members who cheer desire to take from that man for £60 property worth £200.

The right hon. gentleman the Member of Paisley has also fathered this principle, and I will quote a few words from a speech which he made in the recent political campaign which brought him back, to the pleasure of all Members of this House, who on personal grounds are glad to see him here again. On January 27th, at Paisley, he said:—

"My formula has always been that land should be assessed for public burdens upon the same rate and upon the same valuation as for the land which has to be from time to time acquired by a council which purchases it for public purposes."

That is a principle that sounds fair, and if it could be carried out without injustice I would agree with it. But I think that I have shown that you cannot under the present state of the law of rating or assessment carry it out without grave injustice. This Bill means taking without paying for it a portion of the value of a part of the property of a section of the community.

Sir H. HARRIS (C.U.): It is not necessary to say much on the question as to whether the House should go back upon a decision at which it arrived after full discussion as recently as last June. The House then decided that market value was the only practicable and reasonable basis of valuation. Various alternatives were proposed. The right hon. gentleman (Sir D. Maclean) proposed to establish not one basis but a multiplicity of bases. He left market value in the Bill. He did not delete Sub-section (2) of Clause 1, which this Bill proposes to delete, but he conjoined with market value a sort of *omnium gatherum* of bases—valuations made for death duties, Income Tax and rating purposes—and collected them altogether. The result of this would have been to give contradictory instructions to valuers, because they would have been told in one sentence to give market value and in the next sentence to base that valuation upon the number of assessments which might or might not agree with each other, and might or might not represent market value. That proposal was rejected, and rightly so, as is now clear, because its friends have abandoned it.

Mr. MYERS (Lab.): Some time ago the Local Authorities were entrusted with powers under the Allotments Order to enter upon unoccupied land in their area for the purpose of allotments. Unoccupied land was interpreted to mean land which paid no rates to the Local Authorities. The rate books of the municipalities were scrutinised and plots of land all over their area were discovered which were not paying rates to the local authorities. In my own personal experience we came upon a very large area of land, which came within that category. Subsequently, in the examination of the locality for desirable building sites it was decided that part of this area used for allotments should be accepted as a desirable building site. The owner of land was approached, and the figure put upon the land by the local authorities was 1s. 2d. per yard, or £280 per acre. It was considered cheap by the local authority. A slightly less figure, something in the region of a shilling per yard, was paid. That is an instance of land paying no rates to the local authority, and sold for over £200 an acre when required for public purposes.

Mr. PRETYMAN (C.U.): Speaking generally with regard to agricultural land, if you get 30 years' purchase you are not going to be very far from the market value. There is no very obvious spoliation. But when you come to the question of urban land you get a totally different element. The annual value has very little relation to the market value. Take a piece of building land in a town which is worth £1,000, and I think we may rely upon it that the Inland Revenue valuers would demand death duties on £1,000 when that land passed at death, and I do not

think any hon. Member would say that he desires that less than £1,000 should be the basis of assessment for death duties where the land is worth £1,000. That land, we will say, is being used for some temporary agricultural purpose, because it is not yet built upon, and let us suppose that it is assessed at £1 for that purpose. You will then have the maximum of the Bill applying, and the local authority will not be permitted to give more than £30, and will have the right of acquiring for £30 that piece of land which has just been valued for death duties at £1,000.

If I may say so, it is infinitely more dishonest, and infinitely more mischievous than the proposal for nationalization. The proposal for nationalization, as put forward in this House, and as I understand it, is that it would be to the advantage of the country that the nation should own its land and that the nation ought to take it up and pay for it at a fair price. That may be extremely foolish, but it is not dishonest, for a fair price is paid. But this proposal is absolutely dishonest, and nothing else.

Mr. W. GRAHAM (Lab.): I have never personally seen any scheme for public ownership of land which did not provide for compensation. No doubt, where land has been stolen in recent times, or enclosed, as has happened in our unhappy country north of the Tweed, there is a *prima facie* case for a very nominal payment, and for the resumption of that land by the people from whom it was taken; but nearly all schemes for nationalization of land have proceeded on the basis of compensation. If you require land for public purposes—and you do require it—we are prepared to pay for it on certain terms and considerations.

I think the value of land in that position, where it has been the subject of the investment of capital, and perhaps sacrifice, and the rest all through those years, you are justly entitled to take that into account in assessing or fixing any price which the community is required to pay for that land. That is clear and definite in our minds.

Let us turn to urban land. No hon. Member who has had experience in a large urban local authority can fail to have been impressed by the fact that the very enterprise of the people in tramways, open spaces and houses and other things has largely contributed to the increased value of the land. Is it unjust to take back for the community, either directly or indirectly, under the valuation on this principle some proportion, if not all, of that greatly enhanced value?

Sir GORDON HEWART (Attorney-General): We get the astonishing proviso that the value is not to exceed 30 times the annual value as assessed under Schedule A of the Income Tax Act, 1918. What is the underlying principle? It is that of rateable value. If you are the assessing authority, or Quarter Sessions on appeal, you ask yourself what is the value of the hereditament to a hypothetical tenant in the condition that it is from year to year. There is no reference to an unexplored future. The potential value of the land is to be disregarded. It is one thing to say that the rateable value is a fair criterion of the actual present value from year to year. It is quite a different thing to say that that value is a factor which you can multiply by some other arithmetical factor, not named, so as to give you the true total value. A good many of these assessments are out of date. In London you have a statutory provision for quinquennial valuation. I think that that valuation is now proceeding. But if you take the rather large part of the country which is outside London there is no such provision, and we find that the valuation lists are sometimes 10, sometimes 15, and sometimes 20 years old. There are supplementary lists, no doubt, but those lists may be very faulty guides to the annual value. How much more, then, are they to be regarded with suspicion as affording a clue, and the only clue, to the total capital value. The owner, if he is not also the occupier, is not in any way concerned. How is the non-occupying owner to be able to deal with many of the returns which are made? Is it to be said that he acquiesced in them because he could not get his tenant to appeal against them? Does my hon. Friend observe this, that if the non-occupying owner because the assessment might conceivably prejudice the future price of his property, insisted on having the assessment raised, the effect might be that he would be raising the burden of the rates which the occupier would have to pay? Is that what is desired? I submit that when this House, after much deliberation, and having explored the subject-matter with the greatest care, came to the conclusion that a fair thing was to enable these returns and assessments to be given in evidence, that was as much as could be done. In a proper case they can be acted upon. Why act upon them? I entirely agree that if it is highly desirable that the assessment of value upon which public burdens are to be imposed, should come to be identical with the assessment of

value which public money may have to buy out. But, it has not been so hitherto. Can it be fair to catch the owner of land in a trap. I do suggest that nobody ought to be taken by surprise. Let those who seek that end achieve it by proper means, and do not let us hastily decide that returns made for one purpose, and suitable for one purpose, should be not only used, but be the only thing permitted to be used, the only basis to be regarded, for a totally different purpose. The annual value of property for the purpose of Income Tax under Schedule A has not been determined since 1910. Certain lands used for certain purposes for example, quarries and mines, do not have their annual value ascertained in that way at all. Their annual value is ascertained upon the profits of the concerns. When we have, as it is notorious that we have, ten-year old, fifteen-year old, and twenty-year old valuations, is this the moment to provide that the capital value for any purpose is solely to depend upon those valuations? What is the annual value of lands that is ascertained under Schedule A of the Income Tax Act, 1918? The test is solely the present actual or probable yield, without regard to the possibilities or the developments of the future. If, as was said by one hon. Member, all land is public property, why trouble any further? Why have any machinery for acquisition at all? No, when once we get into the region of these general, and apparently benevolent, but exceedingly vague and dangerous doctrines, we run a risk of getting a little out of our depth.

Mr. THOMSON (Lib.): It is because we know that anomalies exist that this Bill has been introduced. We want to prevent the withholding of valuable land from the market, by compelling it to pay rates and taxes, so that it may be brought into the market and reduce the capital value of the land required for housing and industrial purposes. Owing to the monopoly value, owing to the needs of a district being great, all industrial towns in their housing conditions and their development and progress have been crippled. In my own constituency I took out some time ago the market value we had to pay for school sites, and found that we paid over the last thirty years an average of £1,500 an acre for land which twenty or thirty years ago had nothing more than a bare agricultural value. That is what the unrestrained market value gives you. It may be fair to the landowner, but it is manifestly unfair to the ratepayer and the common citizen.

Major BARNES (Lib.) having also spoken in favour of the Bill, the vote was taken and the Second Reading was defeated by 139 votes to 36.

LAND VALUE DUTIES SELECT COMMITTEE

Mr. Raffan asked the Prime Minister (February 20th) whether his attention has been called to the recommendation of the Select Committee on the Land Values Duties that the evidence tendered to them should be printed for the information of the House of Commons; if so, whether any decision has been arrived at as to whether this shall be done; and, in the event of an affirmative decision, whether the evidence so printed will include that tendered by Dr. J. Dundas White on behalf of the United Committee for the Taxation of Land Values.

The Chancellor of the Exchequer: Acting on the recommendation of the Committee, the evidence is being printed, and will be circulated shortly. The answer to the last part of the question is in the affirmative.

The United Committee will publish Dr. Dundas White's evidence in pamphlet form. Every adherent and supporter of the movement should possess a copy of this informing document. It explains the nature and character of the 1909 Land Value Duties and tells the story of the breakdown of the Select Committee appointed to bury them out of sight.

Sir, we have some smart, brilliant men in the Liberal Party, but none smart enough to solve the poverty problem by any other method than giving the people the right of access to land—the source of all those things of which houses are built, and the sites on which those houses must stand. Land is the source of all that human beings require—food, clothing, houses and luxuries. Yet we have all kinds of politicians stupidly trying to solve the poverty problem without any reference to the effect which land monopoly and taxation have upon production.—*Fred Skirrow, in the "Yorkshire Observer."*

NOTES AND NEWS

Commenting on a speech by Andrew Maclaren, Labour candidate for Wimbledon, the LAND NATIONALIZER for March says: "All this could not be said if land were under public control and ownership." Of course not, but something else might be said, especially by the land users as to the "control." Public ownership and control of the rent of land would make a good beginning, and is what Maclaren is out for.

The LAND NATIONALIZER reports the question submitted to the candidates by the L.N.S. at recent by-elections: "Are you in favour of an *equitable* (italics ours) measure for establishing full public ownership and control of land, etc." The word "equitable" is translated in another column as follows: "We have always condemned 'Bolshevist' proposals for confiscation, and insisted on the *right* of landowners to *fair compensation* when the land is nationalized." Why not substitute Taxation of Land Values for "Bolshevist proposals," and meet the case for compensation for Taxation?

In reply to the Secretary of the Paisley Underwood Co-operative Coal Society, the LAND NATIONALIZER reports: "Mr. Asquith states that he does not believe that full public ownership and control of the whole land of this country would lead to its being used in the best interests of the whole community. . . . He is in favour of the value of land created by the community being liable to contribute to public revenue."

The Labour candidate for Argyllshire By-election, the Rev. Malcolm MacCallum, seemed to favour the Taxation of Land Values on the hustings, but gave the question no place in his printed address to the electors. In the address he argued, not in so many words, but by implication, for land purchase. Referring to the Scottish Small Landholders' Act, we read: "The money spent on adjusting landlord claims for compensation would, in the open market, have purchased the fee simple of all the lands with which the land court dealt." A Labour candidate for a Scottish seat who comes before the electors on such landlord crutches invited defeat, and deserved it.

"The Limehouse speech and the Budget sent a revolutionary thrill through the world. It seemed as though Mr. Lloyd George, contrary to every deeper instinct of his essentially sane and conciliatory though audacious nature might unloose in this, the most sober and balanced of all political communities, incendiary passions that he could never restrain. But under all the fire and intrepidity he has depths of common sense and unbreakable fortitude. The war searched him through and through, and changed him for ever."

This, from the OBSERVER, March 21st, the great Conservative weekly newspaper, should convince our friends across the seas, who still believe in the "Limehouse revolutionary thrill," that it was but a thrill, nothing more. The OBSERVER's "depths of common sense" is its way of assuring its public and the ten thousand little Czars that the curtain has been rung down for ever, by the stage managers of the 1909 Budget, on the piece that was going to have such a good long run. The piece will be staged again, or a more astonishing drama will be put on the stage.

The Salvation Army wants £500,000 for its Self-Denial Fund for a vigorous and sustained campaign against poverty, suffering, and crime. General Booth seems to be in blissful ignorance of the belief that these afflictions so-named spring from a denial of God's justice.