

LIBERALS AND LAND VALUE TAXATION

A National Liberal Convention was held in the Kingsway Hall, London, 29th and 30th January, to consider a Party declaration of Liberal principles and policy. Sir Donald Maclean, ex-M.P., presided over an attendance of some 2,000 delegates. The programme arranged by the promoters of the Conference had placed the land values plank of the section dealing with land reform fifth in the number of items to be discussed in the following terms:—

“To bring about by the taxation and rating of land values a reasonable transfer of public burdens from buildings and other improvements to the value of the land on which they stand.”

On behalf of the Putney and Roehampton (London) Liberal Association, Mr. W. M. R. Pringle, ex-M.P., submitted an amendment to transfer this item from the fifth to the first place.

The Land Section, he said (*THE TIMES* report), was the most important section of the Party's domestic policy, and they were looking for principles. The first paragraph spoke about stimulating agricultural development by eliminating inefficient farming. Was there a principle there? (“Yes.”) He contended that while there was a certain principle in a paragraph advocating a living wage for every land worker, it was not until they reached the paragraph dealing with the taxation and rating of land values that they reached a real principle. For this reason it was important that they should place in the forefront of the Land Section something which in the past had been a distinctive principle of the Liberal Party in dealing with the land problem. That principle had been to relieve improvements from public burdens and to transfer as far as possible those burdens to the unimproved value of land, the value that was not created by either the owner or the occupier but was solely due to the community. It was a principle that was inadequately and ineffectively put into the Budget of 1909, but it was because of that principle that the Liberal Party was able to win two General Elections, and to gain the adherence of the industrial classes in the towns. Only by once more declaring allegiance to the proposal, he said, could they win back the allegiance of the workers.

Mr. Atholl Robertson, ex-M.P., as a delegate of the Radical Group, seconded the amendment and remarked that they should endeavour to get back to the atmosphere created by Sir Henry Campbell-Bannerman in 1909.

Mr. Black Jones (Welsh Liberal Federation) said they were very anxious that this question should be put in the forefront of the programme. It had a very important economic bearing on such questions as agriculture, security of tenure, leaseholds, unemployment, the burden of the rates, and the relations between national and local finance. His association were therefore of the opinion that the Liberal Party should at once commence a campaign on the different features of land reform. It would have a great effect on the electors. It would gain the support of thousands overwhelmed by rates, of others hampered by land monopoly, and would give hope to the masses of unemployed.

Lord Emmott said he desired to say a word in support of an attitude of caution. “I am cordially in favour of the principle,” he said, “if there are practical means by which it can be carried out, but I have never yet seen any practical scheme which I think would work. Most of the schemes really mean imposing a double taxation. (Cries of ‘No,’ ‘Not at all.’) The one practical attempt to give effect to the principle was made in Mr. Lloyd George's famous budget. (Cries of ‘No,’ ‘Never.’)”

Continuing, he said he objected to the Party attempting in a hurry to give effect to a principle so hazy and

as to the possibilities of which an enormous number of them had great doubts. (Cheers.)

Major Vasey (London) asserted that there is nothing at all hazy about the taxation of land values. Whatever the Convention may do in this matter, he said, we of the Radical group are determined to put this matter in the forefront of our programme, and we shall give you no rest until the taxation of land values is an accomplished fact. (Cheers.)

It was further resolved at the instance of the Scottish Liberal Federation that the words “to the value of the land on which they stand” be omitted and that the words “to the unimproved value of the land” be substituted.

With this important modification, Mr. Pringle's amendment was carried by an overwhelming majority and this section now stands in the forefront of the land policy of the Party.

The Resolution now reads:

We desire to undertake a radical reform of the land-system, which is largely responsible for the present state of agriculture and of our rural population and for the cramped and ugly conditions of our towns.

The aims of the Liberal land policy are: (a) To bring about by the Taxation and Rating of Land Values a reasonable transfer of public burdens from buildings and other improvements to the unimproved value of land, and thus to cease penalizing enterprise.

We are not much impressed with the other six items embraced in this foremost resolution of Liberal land policy. Anyone interested will find them in the official *LIBERAL MAGAZINE* for February. Taken together they provide for the work of a life-time and have little or nothing to do with the clear, obvious and separate action implied in the Taxation of Land Values.

LONDON COUNTY COUNCIL

(Election—5th March, 1925)

Alderman Douglas on Land Value Rating

The names of some of the candidates standing at the L.C.C. Elections are given in the notes of the English League in another column. There are also standing in the Labour interest, Alderman F. C. R. Douglas in South Hammersmith, Mrs. M. S. Douglas in East Fulham, and Dr. H. B. Morgan in Greenwich.

Alderman F. C. R. Douglas, in an interview with the *DAILY HERALD* (25th February), referred to the posters with which the Moderates (the Conservatives) had flooded London, suggesting that votes cast for Labour were votes for higher rates.

“The real fact,” said Alderman Douglas, “is that the present taxation is graded the wrong way round. The Labour proposals to rate land values are reasonable and sound. They would mean that the heaviest burdens would fall on the shoulders of those best able to bear them, and the general effect would be similar to the equalization of rates—but more powerful. The ability to hold land for the purposes of speculation would be diminished, and the tendency would be for land to become more cheap. Rates would be generally lower, and empty and partially occupied properties would be automatically rated.

“The rating of land values would throw a much greater proportion of rates on the valuable central areas than even a complete equalization of rates on the present system would do. Incidentally, it would remove one of the most formidable obstacles to the creation of a larger county area—the fear that many of the new areas brought in would have to pay higher rates.