

PARLIAMENTARY DEBATES

THE REPEAL OF THE LAND VALUE DUTIES

The Finance Bill was considered in Committee of the House of Commons on 14th July. The following is an extract from the Debate:—

Land Value Duties

CLAUSE 49.—(Repeal of Land Values Duties)

(1) As from the commencement of this Act the Land Values Duties shall cease to be chargeable, and the obligation of the Commissioners of Inland Revenue under Section 26 of the Finance (1909-10) Act, 1910, to cause a valuation to be made of all land in the United Kingdom shall cease.

(2) Any Land Value Duty which has been assessed at the date of the commencement of this Act but which is unpaid at that date shall not be collected, and no assessment shall be made in respect of any Land Value Duty which became chargeable before that date.

(3) Where any person shows to the satisfaction of the Commissioners of Inland Revenue that he or any person of whom he is, in the opinion of the Commissioners, the legal representative, has at any time paid any sum on account of any Land Value Duty he shall, on making an application in that behalf to the Commissioners at any time within six months after the date of the commencement of this Act and in such form as may be prescribed by the Commissioners, be entitled to repayment of the sum so paid.

(4) Where an immediate lessor has paid or borne any annual Increment Value Duty and has made a deduction in respect of that duty from the rent payable by him to his lessor, he shall, on obtaining a repayment under this Section of that Duty, refund to the lessor or the representative of the lessor a sum equal to the amount so deducted.

(5) In this Section the expression "Land Values Duties" means the Increment Value Duty (including annual Increment Value Duty, Reversion Duty, and Un-developed Land Duty imposed by Part I. of the Finance (1909-10) Act, 1910, but does not include Mineral Rights Duty.)

The Land Valuation

Mr. TREVELYAN THOMSON (Lib.): I beg to move in Sub-section (1) to leave out the words,

"and the obligation of the Commissioners of Inland Revenue under Section 26 of the Finance (1910) Act, 1910, to cause a valuation to be made of all land in the United Kingdom shall cease."

Mr. RAFFAN (Lib.): I have no desire to anticipate the general discussion. To myself and those associated with me, this question of the valuation is the vital question. We should, of course, think it desirable if the duties were continued for another year, and an opportunity of discussing that will no doubt arise on subsequent Amendments, but, if the Chancellor of the Exchequer had been able to announce that, though he was unable to continue those duties, he did propose to continue the valuation—bringing it up to date and making it an effective instrument, available both for national and local purposes—I should, personally, have accepted his decision with fortitude and resignation.

On a Select Committee which inquired into this matter I asked at the first sitting that we should be furnished with the

totals of the various valuations so far as they had already taken place. There was no objection on the part of any Members of the Committee to that information being given. Even the hon. Member for Chelmsford (Mr. Pretymann), who differs from me in most matters, put no obstacles in the way, but the Chairman of the Committee, the late Sir Thomas Whittaker, told me afterwards that he had been told that the information could not be given because there had been no statistics kept. As I understand, we have spent something like £2,000,000 on preparing this valuation, and yet, through not engaging a number of clerks to add up the figures, the Government themselves and everybody else are in perfect ignorance of what the totals are. That is a most unsatisfactory state of things. I imagine that even if the Amendment were not carried it would be competent to the right hon. Gentleman to give instructions for these totals to be taken.

THE CHANCELLOR OF THE EXCHEQUER (Mr. Chamberlain): If the hon. Member who has just spoken would be good enough to put down a question as to the totals of the values

disclosed by the valuation I will look into the matter, and in course of time will supply him with the information. I am not prepared to answer off-hand whether the valuation has reached a point where any information that could be given could form the basis of argument from any side of the question. So much is still in dispute, so much of the valuation is declared by the Courts to have been made on a wrong basis, and so much is not agreed and therefore not finally settled, that I am doubtful about it. I do not believe there is a man in this House who does not admit that it has been a scandal in the past that a public authority desiring to purchase land for a public purpose has often been notoriously at a disadvantage compared with a private person buying in the same way. I am as anxious as he to see that when a public authority purchases—whether the Government or a local authority—they shall pay a fair price and no more. Accordingly, I am anxious that we should have, and the Government desire that we should have, the knowledge that would enable us to check the price asked,



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to check by reference to the general stream of transactions a particular proposal which may be under our notice at any given moment. But the valuations prescribed by the part of the Statute we are repealing are not really important; they are not even useful valuations. To a very large extent they are valuations of metaphysical transactions arrived at by elaborate mathematical calculations that nobody but an expert can make, and as to which the layman may doubt sometimes whether the expert himself even understands them. For the purpose the hon. Member has in mind these valuations are not useful. You want to know for that purpose the value of articles which are bought and sold, not the value of abstractions that never pass, which are never offered for sale and are never bid for by a purchaser. What you want is the real value of the article as it passes from day to day. For that purpose the valuation we do away with is of no use. It was useful only as a means of arriving at the basis of a tax which this Clause repeals.

Wherever the sale of land or the transfer of interest in land takes place, the particulars of it shall be made known to the Valuation Department and recorded at Somerset House. That is the part of the Act which has been invaluable in assisting public authorities. Those are the provisions which have led to the saving in the purchase of land, in the price paid, as described

by the Minister of Health in the answer given to a question to which reference has been made. Those are the particulars which we still propose to require to have. The Valuation Department, as I have had occasion to say, has a great deal of work to do wholly unconnected with the levy of the land duty, and, accordingly, though the strength of the Department must be readjusted, and has been readjusted as the work has fallen off, and is now being, or is going to be, examined by the Select Committee on National Expenditure with a view to seeing whether it is superabundant or not, yet, whatever the strength of the Department ought to be, the Department itself shall be maintained and we propose to maintain it.

Lieut.-Commander KENWORTHY (Lib.): In drawing up his Budget and in dropping this valuation the Chancellor of the Exchequer seems to be acting on the theory that the present Government is going to last for an indefinite time, that if this Government falls the new party of the fused Coalition will remain in power for a generation or two. It is because I and a few hon. Members do not share that view that I think we are justified in resisting as strenuously as we can the dropping of this valuation. After all, the land question in this country is not going to remain as it was in the past. It is not a parochial question. The land question to-day is a world question. There are democratic forces that have arisen out of the events of the last few years which are challenging the whole question of land tenure, not only in this but in every other country.

Question put, "That the words proposed to be left out stand part of the Clause."

The Committee divided: Ayes, 194; Noes, 80.

The following 29 Coalition Liberals voted with the majority:—Beauchamp, Sir Edward; Bethell, Sir John H.; Blake, Sir Francis D.; Bowyer, Capt. G. E. W.; Carr, W. T.; Casey, T. W.; Cowan, Sir Henry; Fisher, Rt. Hon. H. A. L.*; Forrest, Walter; Gardiner, J.; Greig, Col. J. W.; Harmsworth, Cecil*; Haslam, Lewis; Hewart, Rt. Hon. Sir Gordon*; Hope, J. D.; Hopkinson, A.; Jones, Rev. Towyn*; Kellaway, Rt. Hon. F. G.*; Leng-Sturrock, J.; Lister, Sir R. A.; Macnamara, Rt. Hon. Thomas J.*; Moreing, Capt. A. H.; Palmer, Major G. M.; Purchase, Henry George; Sutherland, Sir Wm.*; Sykes, Sir Charles; Ward, Col. John; Young, Lt.-Com. E. H.; Ward, W. Dudley* (Teller).

The "Noes" were:—

Ind. Liberal (15): Acland, F. D.; Asquith, H. H.; Benn, Capt. W. Wedgwood; Galbraith, Samuel; Hogge, J. M.; Kenworthy, Lt.-Com. J. M.; Macdonald, J. A. M.; Maclean, Sir Donald; Newbould, A. E.; Raffan, P. Wilson; Tudor-Rees, Capt. J.; Thomson, T.; White, C. F.; Wilson, J. Wm.; Wood, Major M. M.

Labour (40): Barnes, G. N.; Bell, J.; Bowerman, C. W.; Brace, W.; Brown, J.; Cape, T.; Carter, W.; Edwards, C.; Finney, S.; Graham, D. M.; Graham, R.; Graham, W.; Grundy, T. W.; Hall, F.; Hirst, G. H.; Hodge, John; Lunn, W.; Mills, J. E.; Morgan, Major D. W.; Myers, T.; O'Grady, J.; Parkinson, J. A.; Richardson, R.; Roberts, F. O.; Roberts, G. H.; Rose, F. H.; Royce, W. S.; Sexton, James; Shaw, T.; Short, A.; Sitch, C. H.; Spencer, G. A.; Spoor, B. G.; Thomas, J. H.; Tootill, R.; Walsh, Stephen; Wedgwood, Col. J. C.; Wignall, J.; Wilson, W. T.; Young, R.

Coalition Liberal (20): Barnes, Major H.; Breese, Major C. E.; Cowan, D. M.; Edwards, J. H.; Gilbert, J. D.; Hancock, J. G.; Hayward, Major E.; Hinds, J.; Johnstone, J.; Jones, Sir Edgar R.; Jones, H. Haydn; Murray, Lt.-Col. A. C.; Murray, J.; Rendall, A.; Robinson, S.; Rodger, A. K.; Taylor, J.; Thomas, Sir Robert J.; Wallace, J.; Young, W.

Coalition National Democratic Party: Hallas, E.

Socialist: Irving, Dan.

Coalition Unionist: Locker-Lampson, Lieut. G.

Irish Nationalist: MacVeagh, Jeremiah.

Independent: Murray, Dr. D.

TELLERS: *Ind. Liberal*: Thorne, G. R.; *Labour*: Griffiths, T.

Repayment of the Duties

Mr. HOGGE (Lib.): I beg to move, to leave out Sub-sections (2), (3), and (4).

This Amendment is quite simple in its purpose. There is a certain amount of revenue due to the State as a result of the imposition of these taxes, and this Clause says that that money shall not be collected and that were it has been collected it shall

be returned to those taxpayers who demand it back. We maintain that what money there is to come to the Exchequer from this tax ought to be collected and should not be remitted.

Lieut.-Colonel A. MURRAY (Coal. Lib.): I think this is a perfectly unheard-of proposal. Even if it is suggested that the duty should come to an end by this Bill, I am really at a loss to understand why the Government should make these proposals, and I suggest that before we go to a Division we should have some explanation from the Government why they propose something which, I repeat, is perfectly unheard of in our Parliamentary annals.

Mr. CHAMBERLAIN: The proposals are, that we should not collect uncollected duty and that we repay those which have been collected upon demand by the taxpayer. The reason for not collecting the uncollected duty is that in any case a considerable part of it could not be collected owing to various circumstances, but that no part of it could be collected without a considerable amount of new legislation, and it really is not worth while to go through all the trouble in this House and elsewhere and all the expense for the sake of the revenue involved. As regards the reason for repayment, that has arisen really out of a statement—I almost call it a pledge, and I think it amounts to that—made by my predecessor, Mr. McKenna, when he was Chancellor of the Exchequer. In April, 1916, in answer to a question addressed to him by a Member of Parliament, whether, in consideration of the fact that many persons had paid in respect of these assessments, it was intended either to demand payment of those who had been served with demands, but who had not paid, or to refund payments made to those who had paid, Mr. McKenna said there would be no eventual discrimination. That, I think, is an undertaking which I ought to observe. But there is another reason. I think it would be contrary to public policy that a man who had paid promptly, and had had no dispute, should suffer by reason of his prompt payment, whereas a man who had disputed the assessment—it might be on frivolous grounds—should escape payment by reason of his delay. It may be that at some time or another the House will repeal certain taxes. I am not sure that the House may not some time or another, as I hope it will, bring the Excess Profits Duty to an end, but the very worst thing we can do is to teach taxpayers that if they can withhold payment long enough, when we bring the duty to an end, then those who have paid will suffer, and those who have not paid will go scot free.

Lieut.-Commander KENWORTHY: I want to know what is the amount of arrears, what is the estimated amount of repayment, and also an explanation of the right hon. Gentleman's words when he said that there would be expenses in litigation, and so on, in collecting the money. I understand the amount which we are asked now to surrender is round about £500,000.

Mr. CHAMBERLAIN: I can answer the hon. and gallant Gentleman's question. The arrears of duty assessed and uncollected amount to £541,000. Much of it has been assessed on a basis which has been judicially declared to be inaccurate, and could not be collected. A good deal of it dates back to the years 1910, 1911 and 1912, and we could not collect that. As to the unassessed arrears, the same argument as to the impossibility of collection applies with greater force, but I cannot give any estimate of what they might be. The total amount which is actually paid is £1,329,000.

Mr. SPENCER (Lab.): Are we to understand that the amount to be remitted, added to the uncollected arrears, is about £2,000,000?

Mr. CHAMBERLAIN: About that—not quite that.

Mr. RAFFAN: I do want the Committee to realise what the right hon. Gentleman is doing. He said that if next year the Excess Profits Duty comes to an end, he does not wish to put in a worse position the person who pays as against the person who delays paying. Suppose the commercial community acted as the Land Union have done with regard to these taxes; suppose the Federation of British Industries made a levy upon their members and spent large sums of money in going to the Courts to find that, owing to faults in drafting, the Excess Profits Duty is bad, will the right hon. Gentleman come next year and say that all the Excess Profits are to be paid back to everybody who has paid? If the co-operators of this country discover that as regards the £75,000, which the right hon. Gentleman is to collect from them as the result of the decision yesterday, there is some fault with the drafting, will the right hon. Gentleman refund to the co-operators all the money they have paid? He

* Ministers.

knows he will not. If the trade unions of the country find there is grave objection on the part of their members to pay Income Tax on wages, and they find some flaw in the method of collection, and the Courts so decide, what will the right hon. Gentleman do? He knows very well he will bring in legislation to make it possible for them to collect these sums, and the trade unionists and the co-operators and the commercial community will have to pay. Why should there not be legislation by consent so that these sums might be collected? The right hon. Gentleman, who was so adept in getting £75,000 from the co-operators yesterday, is flinging away £2,000,000 to-day because the Government dare not stand up and defy the landowning industry.

Question put, "That Sub-sections (2), (3), and (4) stand part of the Clause.

The Committee divided: Ayes, 193; Noes, 89.

The following 24 Coalition Liberals voted with the majority:—
Beauchamp, Sir Edward; Blake, Sir Francis D.; Bowyer, Capt. G. E. W.; Carr, W. T.; Edwards, J. H.; Fisher, Rt. Hon. H. A. L.*; Forrest, Walter; Greig, Col. J. W.; Harmsworth, Cecil*; Haslam, L.; Hewart, Rt. Hon. Sir G.*; Hope, J. D.; Hopkinson, A.; Jones, Sir Edgar R.; Jones, Rev. Towyn*; Kellaway, Rt. Hon. F. G.*; Lister, Sir R. A.; McCurdy, Rt. Hon. C. A.*; Moreing, Capt. H.; Morison, Rt. Hon. T. B.*; Palmer, Major G. M.; Sutherland, Sir Wm.; Young, Lt.-Com. E. H.; Ward, W. Dudley* (Teller).

The "Noes" were:—

Ind. Lib. (19): Acland, F. D.; Asquith, H. H.; Benn, Capt. W. Wedgwood; Bramsdon, Sir T.; Briant, F.; Galbraith, S.; Glanville, H. J.; Hogge, J. M.; Kenworthy, Lt.-Com. J. M.; Macdonald, J. A. M.; Maclean, Sir Donald; Newbould, A. E.; Raffan, P. Wilson; Tudor-Rees, Capt. J.; Thomson, T.; White, C. F.; Wilson, J. W.; Wintringham, T.; Wood, Major M. M.

Lab. (40): Barnes, G. N.; Bell, J.; Bowerman, C. W.; Brace, W.; Brown, J.; Cape, T.; Carter, W.; Edwards, C.; Finney, S.; Graham, D. M.; Graham, R.; Graham, W.; Grundy, T. W.; Hall, F.; Hirst, G. H.; Hodge, John; Lunn, W.; Mills, J. E.; Morgan, Major D. W.; Myers, T.; O'Grady, J.; Parkinson, J. A.; Richardson, R.; Roberts, F. O.; Roberts, G. H.; Rose, F. H.; Royce, W. S.; Sexton, James; Shaw, T.; Short, A.; Sitch, C. H.; Spencer, G. A.; Spoor, B. G.; Thomas, J. H.; Tootill, R.; Walsh, Stephen; Wedgwood, Col. J. C.; Wignall, J.; Wilson, W. T.; Young, R.

Co. Lib. (25): Barnes, Major H.; Barrand, A. R.; Barton, Sir William; Bowyer, Capt. G. E. W.; Casey, T. W.; Cowan, D. M.; Cowan, Sir Henry; Gardiner, J.; Gilbert, J. D.; Hancock, J. G.; Hayward, Major Evan; Hinds, J.; Johnstone, J.; Jones, H. Haydn; Leng-Sturrock, J.; Murray, Lt.-Col. A. C.; Murray, J.; Norman, Sir Henry; Rae, H. Norman; Robinson, S.; Rodger, A. K.; Taylor, J.; Thomas, Sir Robert J.; Wallace, J.; Young, W.

Co. Un.: Campbell, J. D. G.

Co. N.D.P.: Hallas, E.

Soc.: Irving, Dan.

Ind.: Murray, Dr. D.

Co-operative: Waterson, A. E.

Tellers: *Ind. Lib.*: Thorne, G. R.; *Lab.*: Griffiths, T.

Colonel WEDGWOOD: We desire to record the votes of those who are against these Duties.

The CHAIRMAN: It is within the discretion of the Chair to act as I have done. The question is—

Mr. HOGGE: I think, perhaps, you misunderstood the feeling on these Benches if you think we are at all desirous of challenging your ruling. We agree with you. We have been trying, as I feel sure you will have observed from the Chair, to limit our speeches on Amendments in order to get on to the wider questions. But is it not a somewhat different thing when we say that we wish, through the lobby, without speeches, to have put on the Records of the House, our objections to these specific Duties? That is really all we are asking: that you should allow us to have these Divisions on the understanding that hon. Members on this side are not prepared to put up speeches, but deal later with the wider aspects of the case.

Mr. GRIFFITHS (Lab.): That is the only object we have in view, Mr. Whitley, that on these three Duties, the Increment Value Duty, the Reversion Duty and the Undeveloped Land Duty, we should have Divisions, being content to have no speeches till later.

* Ministers.

The CHAIRMAN: I am quite willing that that course should be adopted, and I will therefore put the question on the first Amendment after it is formally moved.

Increment Value Duty

Mr. MYERS: I beg to move, in Sub-section (5), to leave out the words "Increment Value Duty (including annual Increment Value Duty)."

Question put, "That the words proposed to be left out stand part of the Clause."

The Committee divided: Ayes, 198; Noes, 82.

The following 24 Coalition Liberals voted with the majority:—

Beauchamp, Sir Edward; Blake, Sir Francis D.; Bowyer, Capt. G. E. W.; Cowan, Sir Henry; Forrest, Walter; Greig, Col. J. W.; Harmsworth, Cecil*; Haslam, Lewis; Hewart, Rt. Hon. Sir G.*; Hope, J. D.; Hopkinson, A.; Illingworth, Rt. Hon. A. H.*; Jones, Sir Edgar R.; Jones, Rev. Towyn*; Kellaway, Rt. Hon. F. G.*; Lister, Sir R. A.; McCurdy, Rt. Hon. C. A.*; Moreing, Capt. H.; Morison, Rt. Hon. T. B.*; Palmer, Major G. M.; Pearce, Sir William; Rodger, A. K.; Young, Lt.-Com. E. H.; Ward, W. Dudley* (Teller); and J. D. Kiley (Ind. Lib.).

The "Noes" were:—

Ind. Lib. (19): Acland, F. D.; Asquith, H. H.; Benn, Capt. W. Wedgwood; Bramsdon, Sir T.; Briant, F.; Galbraith, S.; Glanville, H. J.; Hogge, J. M.; Kenworthy, Lt.-Com. J. M.; Macdonald, J. A. M.; Maclean, Sir Donald; Newbould, A. E.; Raffan, P. Wilson; Tudor-Rees, Capt. J.; Thomson, T.; White, C. F.; Wilson, J. W.; Wintringham, T.; Wood, Major M. M.

Lab. (40): Barnes, G. N.; Bell, J.; Bowerman, C. W.; Brace, W.; Brown, J.; Cape, T.; Carter, W.; Edwards, C.; Finney, S.; Graham, D. M.; Graham, R.; Graham, W.; Grundy, T. W.; Hall, F.; Hirst, G. H.; Hodge, John; Lunn, W.; Mills, J. E.; Morgan, Major D. W.; Myers, T.; O'Grady, J.; Parkinson, J. A.; Richardson, R.; Roberts, F. O.; Roberts, G. H.; Rose, F. H.; Royce, W. S.; Sexton, James; Shaw, T.; Short, A.; Sitch, C. H.; Spencer, G. A.; Spoor, B. G.; Thomas, Brig.-General Sir O.; Tootill, R.; Walsh, Stephen; Wedgwood, Col. J. C.; Wignall, J.; Wilson, W. T.; Young, R.

Co. Lib. (19): Barnes, Major H.; Barrand, A. R.; Casey, T. W.; Edwards, J. H.; Gardiner, J.; Gilbert, J. D.; Hancock, J. G.; Hayward, Major Evan; Hinds, J.; Johnstone, J.; Jones, H. Haydn; Lyle-Samuel, A.; Murray, Lieut.-Col. A. C.; Robinson, S.; Taylor, J.; Thomas, Sir Robert J.; Wallace, J.; Young, W.

Co. N.D.P.: Edwards, A. C.; Hallas, E.

Soc.: Irving, Dan.

Ind.: Murray, Dr. D.

Co-op.: Waterson, A. E.

Tellers: *Ind. Lib.*: Thorne, G. R.; *Lab.*: Griffiths, T.

Reversion Duty

Mr. MYERS: I beg to move, in Sub-section (5), to leave out the words, "reversion duty."

Question put, "That the words proposed to be left out stand part of the Clause."

The Committee divided: Ayes, 213; Noes, 91.

The following 32 Coalition Liberals voted with the majority:—

Balfour, Sir Robert; Beauchamp, Sir Edward; Blake, Sir Francis; Bowyer, Capt. G. E. W.; Carr, W. T.; Cowan, Sir Henry; Forrest, Walter; Gange, E. S.; Greig, Col. J. W.; Harmsworth, Cecil*; Haslam, Lewis; Hewart, Rt. Hon. Sir G.*; Hope, J. D.; Hopkinson, A.; Illingworth, Rt. Hon. A. H.*; Jones, Sir Edgar R.; Jones, Rev. Towyn*; Kellaway, Rt. Hon. F. G.*; Lister, Sir R. A.; McCurdy, Rt. Hon. C. A.*; Montagu, Rt. Hon. E. S.*; Moreing, Capt. H.; Morison, Rt. Hon. T. B.*; Morris, R.; Palmer, Major G. M.; Pearce, Sir William; Purchase, Henry George; Richardson, Sir Albion H. H.; Rodger, A. K.; Yeo, Sir Alfred W.; Young, Lt.-Com. E. H.; Ward, W. Dudley* (Teller).

The "Noes" were:—

Ind. Lib. (19): Acland, F. D.; Asquith, H. H.; Benn, Capt. W. Wedgwood; Bramsdon, Sir T.; Briant, F.; Galbraith, S.; Glanville, H. J.; Hogge, J. M.; Kenworthy, Lt.-Com. J. M.; Macdonald, J. A. M.; Maclean, Sir Donald; Newbould,

* Ministers.

A. E.; Raffan, P. Wilson; Tudor-Rees, Capt. J.; Thomson, T.; White, C. F.; Wilson, J. W.; Wood, Major M. M.; Winttingham, T.

Lab. (42): Barnes, G. N.; Bell, J.; Bowerman, C. W.; Brace, W.; Brown, J.; Cape, T.; Carter, W.; Edwards, C.; Finney, S.; Graham, D. M.; Graham, R.; Graham, W.; Grundy, T. W.; Hall, F.; Hirst, G. H.; Hodge, John; Lunn, W.; Mills, J. E.; Morgan, Major D. W.; Myers, T.; O'Grady, J.; Parkinson, J. A.; Richardson, R.; Roberts, F. O.; Roberts, G. H.; Rose, F. H.; Royce, W. S.; Sexton, James; Shaw, T.; Short, A.; Sith, C. H.; Spencer, G. A.; Spoor, B. G.; Thomas, Brig.-Gen. Sir Owen; Tillet, Ben.; Tootill, R.; Walsh, Stephen; Wedgwood, Col. J. C.; Wignall, J.; Wilson, W. T.; Young, R.

Co. Lib. (23): Barnes, Major H.; Barrand, A. R.; Barton, Sir William; Casey, T. W.; Cowan, D. M.; Edwards, J. H.; Fildes, H.; Gardiner, J.; Gilbert, J. D.; Hancock, J. G.; Hayward, Major Evan; Hinds, J.; Johnstone, J.; Jones, H. Haydn; Lyle-Samuel, A.; Murray, Lt.-Col. A. C.; Murray, J.; Rae, H. N.; Rendall, A.; Taylor, J.; Thomas, Sir Robt. J.; Wallace, J.; Young, W.

Ind.: Bottomley, Horatio; Murray, Dr. D.

Co. N.D.P.: Edwards, A. C.; Hallas, E.

Soc.: Irving, Dan.

Irish Nationalist: MacVeagh, Jeremiah.

Co-Op.: Waterson, A. E.

Tellers: *Ind. Liberal*: Thorne, G. R. *Labour*: Griffiths, T.

Undeveloped Land Duty

Mr. MYERS: I beg to move, in Sub-section (5), to leave out the words, "and undeveloped land duty."

Question put, "That the words proposed to be left out stand part of the Clause."

The Committee divided: Ayes, 220; Noes, 90.

The following 30 Coalition Liberals voted with the majority:—
Balfour, Sir Robert; Beauchamp, Sir Edward; Blake, Sir Francis; Bowyer, Capt. G. E. W.; Carr, W. T.; Cowan, Sir Henry; Fildes, H.; Forrest, Walter; Greig, Col. J. W.; Harmsworth, Cecil*; Haslam, Lewis; Hewart, Rt. Hon. Sir G., K.C.; Hope, J. D.; Hopkinson, A.; Illingworth, Rt. Hon. A. H.*; Jones, Sir Edgar R.; Jones, Rev. Towyn*; Kellaway, Rt. Hon. F. G.*; Lister, Sir R. A.; McCurdy, Rt. Hon. C. A.*; Montagu, Rt. Hon. E. S.*; Moreing, Capt. H.; Morison, Rt. Hon. T. B.*; Morris, R.; Palmer, Major G. M.; Pearce, Sir William; Richardson, Sir Albion H. H.; Sutherland, Sir Wm.*; Young, Lt.-Com. E. H.; Ward, W. Dudley* (Teller).

The "Noes" were:—

Ind. Lib. (20): Acland, F. D.; Asquith, H. H.; Benn, Capt. W. Wedgwood; Bramson, Sir Thomas; Briant, F.; Entwistle; Major C. F.; Galbraith, S.; Glanville, H. J.; Hogge, J. M., Kenworthy, Lt.-Com. J. M.; Macdonald, J. A. M.; Maclean, Sir Donald; Newbould, A. E.; Raffan, P. Wilson; Tudor-Rees, Capt. J.; Thomson, T.; White, C. F.; Wilson, J. W.; Winttingham, T.; Wood, Major M. M.

Lab. (43): Barnes, G. N.; Bell, J.; Bowerman, C. W.; Brace, W.; Brown, J.; Cape, T.; Carter, W.; Casey, T. W.; Edwards, C.; Finney, S.; Graham, D. M.; Graham, R.; Graham, W.; Grundy, T. W.; Hall, F.; Hayday, A.; Hirst, G. H.; Hodge, John; Lunn, W.; Mills, J. E.; Morgan, Major D. W.; Myers, T.; O'Grady, J.; Parkinson, J. A.; Richardson, R.; Roberts, F. O.; Roberts, G. H.; Rose, F. H.; Royce, W. S.; Sexton, James; Shaw, T.; Short, A.; Sith, C. H.; Spencer, G. A.; Spoor, B. G.; Thomas, Brig.-Gen. Sir O.; Tillet, Ben.; Tootill, R.; Walsh, Stephen; Wedgwood, Col. J. C.; Wignall, J.; Wilson, W. T.; Young, R.

Co. Lib. (21): Barnes, Major H.; Barrand, A. R.; Barton, Sir Wm.; Cowan, D. M.; Edwards, J. H.; Gardiner, J.; Gilbert, J. D.; Hancock, J. G.; Hayward, Major Evan; Hinds, J.; Johnstone, J.; Jones, H. Haydn; Lyle-Samuel, A.; Murray, Lt.-Col. A. C.; Rendall, A.; Robinson, S.; Rodger, A. K.; Taylor, J.; Thomas, Sir Robert J.; Wallace, J.; Young, W.

Ind.: Bottomley, Horatio; Murray, Dr. D.

Co. N.D.P.: Hallas, E.

Soc.: Irving, Dan.

Irish Nat.: MacVeagh, Jeremiah.

Co-Op.: Waterson, A. E.

Tellers: *Ind. Lib.*: Thorne, G. R. *Lab.*: Griffiths, T.

The General Question

Motion made, and Question proposed, "That the Clause stand part of the Bill."

Mr. RAFFAN: I rise to oppose this Motion. We have now come to the conclusion of this part of the Finance Bill.

Every political economist from the time of Adam Smith, John Stuart Mill and Professor Marshall has suggested that there is no tax which a community might more properly employ than a tax upon the land values which the community itself has created. There were innumerable Royal Commissions and Select Committees in regard to this matter, and as far back as 1885 a Royal Commission recommended that there should be such a levy on land values, bearing in mind the fact that enormous sums, running into many millions, created by the community, passed into private hands, the community receiving no levy from it whatever.

The great agitation conducted by the present Prime Minister, then the Chancellor of the Exchequer, prior to the passing of the 1909-10 Budget, had its root in this desire, that those who were obtaining these large social values for themselves should be called upon to make a contribution to the public revenue. The Prime Minister pointed out again and again how, in his view, those who were able to obtain for themselves these social values had done nothing to earn them. In picturesque language he spoke of the case of London, and he asked what the great London landowners had done which entitled them to the millions of ground rents they were able annually to apply to their own purposes. He said these great London landowners had done nothing by the exercise of their enterprise or by their own expenditure to create these values. London was a swamp, and the landowners did not even create that, and upon that theory he based his scheme that there should be legislation with regard to this matter. In order to show that I am not misrepresenting what the Prime Minister said, let me give a very brief quotation from a speech which he delivered in Carnarvon in December, 1909, in connection with the agitation with reference to this point. He was then in the position of Chancellor of the Exchequer. He said:—

"We say the country has need of money, and we are looking out for someone to tax."

"We do not want to tax food; we will tax no man's raiment; we will not tax the house that shelters him and his family. What shall we tax? We do not want to tax industry; we do not want to tax enterprise; we do not want to tax commerce. What shall we tax? We will tax the man who is getting something he never earned, that he never produced, and that by no law of justice or fairness ought ever to belong to him."

Holding those views, he endeavoured to give legislative effect to them in the Budget of 1909-10. I admit at once that, in my view, his legislative achievement did not fully realise the anticipations he had held out to the country. (Hon. Members: "Hear, hear.") Hon. Members cheer, but why was that so? It was because from the start there was such a rally on the part of the landlord class and those whom they could influence against that Budget, that, even before the Budget was introduced, compromise had begun. Instead of having the direct tax upon land values which the country had been led to expect, we had these taxes which we are discussing to-day, the Increment Value Duty, the Reversion Duty, and the Undeveloped Land Duty.

The landowners of the country formed themselves into an organization which sought to repeal the Budget and get rid of the valuation and of any levy on Land Values. So far as they were content with public agitation, one has no complaint to make. They had every right to make an appeal on the ground of reason and argument to their fellow countrymen. That appeal, however, did not fall on very fruitful ground. Whenever elections took place on this issue, whether general elections or by-elections, the Land Union cut a sorry figure. At the election in January, 1910, and again in December, 1910, large majorities of the people of this country expressed their approval of the proposal embodied in the Budget, that there should be a levy on Land Values. Even subsequently, when the Courts had begun to give decisions, and it was evident that the duties were not of the full effect that was expected in regard to production of revenue, the candidates who were most successful in a whole series of by-elections were those who declared that the work already done ought not to be scrapped, but that we should go forward and make an effective levy on Land Values.

* Ministers.

What the Chancellor now says is, "You have here nothing but so much wreckage. What you have to do is merely to get rid of it and have a perfectly clear field again." That may seem plausible, but I should like to point out that it was not the view of the author of the duties in 1914. Every one of these legal decisions had been given before War broke out in August, 1914, and the position as the right hon. Gentleman describes it to-day existed then. What was the view of his chief then? Had he come to the conclusion which the Chancellor of the Exchequer has reached to-day, that, because these difficulties had arisen, it was necessary to get rid entirely of this policy? No; on the contrary, the Prime Minister then said that what was to be done when these difficulties had arisen was to take fresh steps by way of legislation to see that the levy upon Land Values, which the people of this country desired, should take place, and that there should be amending legislation for this purpose. I will give a few short quotations to establish that, because I think it is important. Although this Budget has been presented by the Chancellor of the Exchequer, he serves under a Prime Minister who passed the Budget of 1909-10, and he has informed the House that the Prime Minister is an assenting party to his action. It is quite true that in 1912 these difficulties had not fully developed, but they had developed partially. What was the view of the Prime Minister then? What he then said was:

"You have got to free the land, the land that is to this very hour shackled with the chains of feudalism."

That is as true now, in 1920, as it was in 1912. What was the Prime Minister's view as to what should be done? Was it his view that we should go back? No! He said:

"This Bill is a beginning, and with God's help it is but a beginning."

In 1913 the Prime Minister had begun his land campaign. Did he seek to begin it upon entirely new lines? Had he come to the conclusion then that what was necessary was land legislation on other lines, that the proposal for a levy by way of land values taxation should be dropped, and that the valuation should be dropped? On the contrary, what he proposed then was, apparently, to strengthen his valuation. He said at Swindon:

"We will have a valuation of the land of the Kingdom. We propose to hand over the whole of that machinery of valuation to the new Ministry of Lands."

That was in October, 1913. In January, 1914—if I may be allowed a personal reference—I was acting as honorary secretary to a group of 185 Members of the House of Commons, known as the Land Values Group. On their instructions I wrote to the then Prime Minister pointing out that, in their view, it was essential, if the land campaign was to serve any useful purpose, that attention should be directed to the question of the taxation and rating of Land Values. The Prime Minister replied to me, and amongst other things he said:

"You may depend upon it that the Government definitely intend to utilize the valuation which they are putting there at great expense. There is no intention of shirking the issue; of that I can assure you."

That was in January, 1914. In February he went a step further. Speaking at Glasgow, he then stated what the Government proposed to do, and practically all these legal decisions had then been given which, the Chancellor of the Exchequer says, make wreckage of his proposals. So far from saying that that was a reason for clearing the rubbish out of the way and having nothing more to do with it, he said that what the Government proposed to do was to go a step further and to have a valuation which would be applicable not merely to a levy upon Land Values for Imperial purposes but to institute a system of rating of Land Values and to provide a system of valuation which would be satisfactory for that purpose. He said:

"The valuation under the Act of 1909 secures for the first time a real valuation of the land and of the structures thereon separately, and I can assure you we mean to make use of that valuation. I cannot imagine there being any doubt in anyone's mind on the subject. I wonder why they think we have that valuation unless we meant to use it."

I should like to make clear that I am not misrepresenting the Prime Minister, and I want to make it perfectly clear that he had in his mind a system of rating of Land Values for local purposes, and he proposed to take the necessary steps to secure that, and that was done after all these legal decisions had been given. He said:

"We want new rating. I do not profess to know your rating system in Scotland, but I know the rating system in England and Wales very well, and certainly in England and Wales we want first a complete change in the methods of our valuation for assessment purposes. They are crude, inefficient and open at the present moment to a grave suspicion of partiality."

Then there is the phrase I have read about the valuation securing for the first time a real valuation which was meant to be used:

"Now the Government have already, through the chief, Mr. Asquith, accepted the principle of the rating of Land Values, and they intend to give effect to it by legislation."

I am very glad the right hon. Gentleman is here, and I am very glad he corroborates that statement entirely.

Mr. ASQUITH (Lib.): It was the policy of the Government.

Mr. RAFFAN: It was in a special sense the policy of the then Chancellor of the Exchequer and he identified himself thoroughly with it and became very largely its chief spokesman. In May, 1914, three months before the outbreak of the War, he repeated that statement:

"We are of the 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 than the present. We do intend that the taxation of site values shall henceforth form an integral part of the system of local taxation. That was what I meant by broadening the basis of taxation."

That was the position when the War broke out. I should like the Chancellor of the Exchequer to address himself to the question, what alteration the War has made which in his view renders it desirable that the right hon. Gentleman who voiced these sentiments and held these views should now come to the House of Commons and propose to abandon valuation, to abandon every one of these duties, to pay back every penny of duty that anyone has ever paid and to collect nothing in the way of arrears. It may be that the right hon. Gentleman thinks that in some way or other the War has so altered things as to justify him in taking that course. I shall be interested to hear the right hon. Gentleman explain why in his view it has done so. In my view the War has given a three-fold reinforcement to the claim for the taxation of Land Values. In the first place the need of revenue is infinitely greater, as every speech delivered by the Chancellor of the Exchequer during the passing of this Finance Bill through Committee has shown. When we come to this stage that the right hon. Gentleman is obliged to invoke the party Whips, as he did yesterday, to secure for him £75,000 from the co-operative societies, which the obvious sense of the Committee left to a free vote was to reject, I think one is entitled to say if it was necessary to look round for someone to tax, as the Prime Minister said it was in 1910, it is infinitely more necessary to find sources of revenue now. The need of revenue is greater. That is the first change that the War has made.

Then the fund available is larger. The Land Values of this country have increased. We do not get the figures because the valuation has not been kept up in such a way that the figures are available. But I think it is no exaggeration to say that if you are dealing with the Land Values of great cities like London, Liverpool, Birmingham and Glasgow, Land Values have doubled during the period of the War. Figures are being quoted in connection with transactions in London during the past few months which have never been heard of before. I remember a number of years ago when a little strip of land was sold in the city of London at the rate of £1,000,000 an acre, there were paragraphs in all the newspapers of the country about it. But the other day there was a transaction in which two strips of land were sold at a value of £5,000,000 an acre. I do not suggest, of course, that that is an average value even in the city, but you have transactions such as Devonshire House, where land is sold at the rate of over £1,000,000 an acre, and you have these transactions taking place all over the city of London, and I think it is no exaggeration to say that the fund available upon which taxation could come by a levy upon Land Values is infinitely greater to-day, probably, at least double the fund available in 1914. There is a third change that the War has made. The manhood of this country has been engaged from 1914 onwards fighting the battle of this country. They were appealed to by a recruiting poster, which pointed out to them the beauties of the land, and underneath was the legend, "Is not this a land worth fighting for?" The men of this land thought it was a land worth fighting

for, and in France, Flanders, Mesopotamia, in every field of battle, they performed prodigies of valour. When these men come back I think they are entitled to say that at least some share of the value which they created and which they fought to defend should go to the common people. In my view, these are the changes which have come about as the result of the War. So far from being any justification for abolishing the valuation and abolishing these duties, in my view they give a triple reinforcement to the policy which the Prime Minister advocated in 1914. I think we are entitled to ask the Chancellor of the Exchequer if in his view there can be any reason except purely political motives for the action which he has taken.

We are told, of course, the yield from these duties is small and the effect of them upon social conditions is negligible. I do not dispute either of these propositions, but what I suggest the right hon. Gentleman should do is what all his predecessors have done from 1914: keep these duties upon the statute book as the expression of the desire of the people of this country, manifested at two general elections, that there should be a levy upon Land Values. Keep the valuation, bring it up to date, make it a really effective instrument and then utilize the year which lies before you for making such inquiries as are necessary into the working of a real system of Land Values taxation—such a system as those to be found in Canada, in Australia, and in a great many of our Colonies. The right hon. Gentleman complained in his Budget speech that the Select Committee upon Land Values which he set up had not been able to give him very much assistance. I do not know how far he was kept informed as to the action which was taken at the sittings of that Committee, but the reason why the Select Committee on Land Values did not give him substantial assistance was that the Government neglected to give them the opportunity of so doing. The Committee was set up to consider the question of the abolition, the retention, or the alteration of these duties. At the very outset I and those who were acting with me asked whether it was permissible under the terms of Reference to make an investigation as to the system of land taxation and valuation in the Colonies and other countries and to bring in a recommendation for an alteration of these duties and to substitute in their place a direct tax upon Land Values. I make no complaint as to the ruling of our chairman. He ruled that under the terms of reference it was not permissible, and then the Committee decided to ask the Government to extend their terms of reference to allow that to be done. I see a distinguished member of the Committee opposite who does not share my political views. I think he will agree that I am correct in my narrative. We met, I think, about once a fortnight for nearly two months—we were called to meet—but we could get no reply from the Government of any kind, either refusing to extend the terms of reference or granting our request, and we were ultimately compelled to bring in this Report, which, of course, gives no assistance to the Government, because those of us who thought the only proper method of dealing with this matter was to bring in a real levy upon Land Values were not, of course, interested in such patchwork proposals as trying to build these duties up again.

There is no movement which has so profoundly touched the hearts of the people of this country as the movement for the reassertion of the rights of the people in the land, and although the right hon. Gentleman, who has, like the Leader of the House, fought these duties tenaciously, step by step and inch by inch, now has the satisfaction of seeing his policy carried through, I am quite certain that his action is only stirring up again a sentiment upon this question. Before many years are over we will have another Chancellor of the Exchequer—

Mr. CHAMBERLAIN: I hope so.

Mr. RAFFAN: Who, although he could not be a more industrious or a more conscientious one, will on this matter be in greater accord with the sentiments of the vast majority of the people of this country and will give us in place of these paltry Land Values a real tax upon Land Values which will amount to a reassertion of the rights of the people to the land that God has given them.

Mr. MYERS (Lab.): I shall be echoing the sentiment of every Member in this House when I say we all pay a tribute to the hon. Member who has just sat down, not only for his excellent and, in my view, unanswerable speech, but for the long period of sacrifice, energy, and enthusiasm which he has given to this question, both inside and outside the House. I feel that very little I can say will go in the direction of emphasizing the case he has presented, but there are one or two points of detail to which I may refer. Everything that has been said by the hon. Member

through the quotations he has read to us as to the position in 1910 could be reasserted to-day with infinitely greater emphasis. The needs are greater, the demand is much more pressing, and the general situation in the country demands that something of the sort claimed then should be carried out now.

We have always asserted, like the hon. Member who has just sat down, that increasing Land Values are due absolutely to social developments, that Land Values are a social product, and ought to go back into the common fund, for the benefit of the community as a whole, never mind when or at what point. That is the general position upon which we stand.

Instances innumerable could be produced to show how in the development of towns, local rates have gone in one direction and the real proceeds of the value of the land has gone in another. In my immediate neighbourhood agricultural land is let at £1 and £1 10s. per acre. I have watched the district develop, houses and factories galore have been erected, and there is great difficulty in purchasing land—the land is taken largely on lease—and I know innumerable instances where agricultural land which was occupied as farming land and the rent of which was about £1 or £1 10s. per acre has been let for building land at 6d. a yard, which is £120 an acre; and the responsibility the landowner had for the local rates has instantly been removed from him. As soon as a house has been erected upon that site, the responsibility for the local rates has gone on to the bricks and mortar, and the landlord has walked away with the ground rent in his pocket and with no responsibilities to the locality.

I am a believer in the doctrine that the entire increment of land should come to the community. The late Herbert Spencer, reactionary though he was in his later days, made a very definite pronouncement on this matter. He said, "The right of mankind at large to the earth's surface is still valid, all deeds, laws and customs notwithstanding." I agree with that declaration. I have advocated that doctrine, and I hope to do so again, and until the time comes when the community at large can secure for itself that heritage and rightful possession which I think it ought to secure of the income arising from these duties for public use and for public purposes.

Mr. ASQUITH: I expressed my opinion upon this proposal when, nearly three months ago, the Budget was first introduced, and I am not going to repeat at any length what I said then. There is the less occasion for going over the ground, so far as I am concerned, in detail, since my hon. Friend the Member for Leigh (Mr. Raffan) has in a most able and brilliant speech, for such it was, stolen, as I am frank enough to confess, any little stock of dialectical thunder I may have had in reserve for the purpose. I do not grudge him at all what he has done, since he has made much better use of it than I could have done. But I must call the attention of the Committee to what I believe to be an almost unique situation. This Clause proposes to abolish the land duties, to cancel the arrears, and to suspend the whole process of valuation. It is not often in our legislative history that we directly reverse a policy which has been deliberately pursued by preceding Parliaments. That is a very rare event, but I believe it to be without precedent that a reversal such as that should take place at the instance of a Government, the head of which was the author of the policy which it is proposed to reverse. I know, at any rate, from my own experience and my reading of Parliamentary experience, of no precedent or example of such a course being pursued. I am speaking within the recollection of many who were Members of Parliament in 1909 when it was proposed, and in 1910-11 when this policy was enacted. They will bear me out when I say that never was there a policy which had less the character of improvisation about it. We have seen a great many improvisations of recent years, and they have become the stock-in-trade of politicians and even of the Government. But the policy embodied in the famous Budget of 1909 was a policy deliberately conceived and subject, as I know well, to an amount of Cabinet deliberation which has hardly ever been applied to any specific political topic. It was debated in this House with a minuteness of discussion and acrimony of spirit and with an enthusiasm both in support and in antagonism which I cannot recall happening. It was passed by large majorities here in the House of Commons and rejected by the House of Lords, with the result that we were confronted with the gravest constitutional crisis of our time. What followed? We dissolved Parliament, we went to the country, and we got a majority.

Mr. CHAMBERLAIN: You lost 100 seats.

Mr. ASQUITH: We got a majority quite big enough, not only upon this particular issue, but to bring the House of Lords to its

knees and to carry the Parliament Act also. I am not going—my hon. Friend (Mr. Raffan) has amply performed that task—to indulge in the alluring luxury of quotation. I will just quote, to show the view taken at the time, from a publication entitled “The Budget, the Land, and the People, the new land value taxes explained and illustrated. A complete guide to the great question of the day,” issued by the Budget League, a very powerful propagandist organization with which I am not ashamed to say I was connected, and which had for its principal organizer my right hon. Friend the Member for Blackburn (Sir H. Norman). This publication had the advantage of a preface by the then Chancellor of the Exchequer, and I am going to read one sentence with which the preface started.

“The land value taxes of the Budget of 1909 mark a new departure in the fiscal policy of our country. After a few years’ experience they will, I hope, be as familiar and accepted a part of the apparatus of the tax gatherer as the death duties, once so strange and so strenuously opposed.”

That is what we all believed and proclaimed on platforms, and what, so far as we can judge by the verdict of the constituencies, the country also believed. When I look at and survey the Treasury Benches at this moment I understand the absence, and I deeply deplore it, of the Prime Minister, for there never was an occasion when the House of Commons needed his presence more; but he is, as we know, engaged elsewhere in discharging Imperial functions. But I have looked and I have scanned that Bench and in vain for persons whose public duties do not require them to leave these shores, or even, so far as I know, these precincts, and where are they? I refer to my old colleagues who perambulated the country in my company and in the company of the present Prime Minister, preaching this pure gospel which is laid down in the little volume from which I have quoted. Where are they? I think the House would be glad to hear from them, and it would be much more appropriate than from the Chancellor of the Exchequer, some of the reasons which have led them in 1920 to jettison—I do not suggest, as my hon. Friend did, that party considerations have had anything to do with it—but I want to know, in the atmosphere of the temple of pure reason, what reasons have led them to jettison in the year 1920 taxes which they and I agreed in 1909, 1910, 1911, 1912, and 1913 were essential to a just and equitable system of taxation. As my hon. Friend pointed out just now, it is not as if this was a passing gust or wave of enthusiasm which swept off its legs the Liberal party or the constituencies of the country in 1909-10. On the contrary, up to the very outbreak of the War we were preaching the same doctrine, we were proclaiming the same faith. All the legal decisions which have been referred to which whittled down and emasculated, as we thought, the intentions and effect of the legislation of 1909-10, had been pronounced. They had been weighed and adjusted by the Government and their advisers. In the year 1914, some months before the outbreak of the War, the then Chancellor of the Exchequer, the authorised exponent of the financial policy of the Government, said—it was in the month of January—on the question of the rating and taxation of land values:

“You may depend upon it that the Government definitely intend to utilize the valuation, which they are putting through at great expense, for this purpose.”

In the following month there is an allusion to myself.

“The Government have already, through their Chief accepted the principle”

—not merely the principle of these land taxes which are to be found in the Act of 1909—

“of the rating of site values, and intend to give effect to it by legislation.”

What has happened to make this declaration, deliberately made—this again was not improvised, it was the result of Cabinet decision—an obsolete and negligible thing, which has no longer any weight or sanction?

Colonel WEDGWOOD (Lab.): The right hon. Gentleman forgot the people who put him into power. That is what happened.

Mr. ASQUITH: I am always interested in the remarks of my hon. and gallant Friend, but I fail to see the relevance of that remark. I have not changed my view, I still believe, as my Chancellor of the Exchequer said in February, 1914, in the necessity, first of all, of the valuation, and next, as a consequence of that valuation, and as a proper purpose to which it should be applied, the taxing for public purposes, both imperial and local,

of the site values of land. Further—and this has always been to me one of the great recommendations of the valuation and the taxation of land—in order that land might be acquired by the community for public purposes at the same rate and upon the same terms upon which it was taxed. The converse is even more true, that it should be taxed and rated at the same price at which the owner is willing to sell it to the community, when the community wants to purchase it. I have not changed my views upon that by a hair’s breadth.

Colonel WEDGWOOD: I only regret that you did not do it while you were in power.

Mr. ASQUITH: We were doing it; we were on the point of doing it, in the spring of 1914—as I have shown by the passage I have quoted—by legislation. Then came the War in August of that year which rendered such legislation impossible. If it is suggested that the War and the consequences of the War have made, or ought to have made, any logical difference in the position, I find myself totally unable to accept that view. The War has not altered the rules of justice between the different classes who ought to contribute to the revenue and expenditure of the country. The War has certainly not diminished the value of land. The War has certainly not in any way impaired the importance both of discovering new sources of taxation and of not abandoning those sources of taxation which are already at your disposal. So far as the experience of the War is relevant to the matter at all, it appears to me to enforce rather than to impair the arguments which were used in 1914. I shall vote for the omission of this Clause.

The Debate was continued by the Chancellor of the Exchequer, Mr. T. Griffiths (Lab.), Major Barnes (Lib.), Col. J. C. Wedgwood (Lab.), Mr. G. A. Spencer (Lab.), Mr. C. F. White (Lib.), Mr. J. M. Hogge (Lib.) and others.*

The Closure

After these members had spoken Mr. BONAR LAW (Leader of the House) rose in his place and claimed to move, “That the Question be now put.”

Question put, “That the Question be now put.”

The Committee divided: Ayes, 207; Noes, 53.

Division on Clause 49

Question put accordingly, “That the Clause stand part of the Bill.”

The Committee divided: Ayes, 190; Noes, 68.

The following 38 Coalition Liberals voted with the majority:—

Addison, Rt. Hon. C., M.D.; Blake, Sir Francis D.; Bowyer, Capt. G. E. W.; Carr, W. T.; Fisher, Rt. Hon. H. A. L.†; Forrest, Walter; Gregory, Holman; Harmsworth, Cecil†; Haslam, Lewis; Hopkinson, A.; Kellaway, Rt. Hon. F. G.†; Lister, Sir R. A.; Matthews, David; Moreing, Capt. A. H.; Neal, A.; Richardson, Sir Albion, H. H.; Walters, Rt. Hon. Sir J. Tudor†; Young, Lt.-Com. E. H.; Ward, W. Dudley† (Teller).

The “Noes” were:—

Ind. Lib. (13): Benn, Capt. W. Wedgwood; Briant, F.; Entwistle, Major C. F.; Hogge, J. M.; Kenworthy, Lt.-Com. J. M.; Kiley, J. D.; Maclean, Sir Donald; Newbould, A. E.; Raffan, P. Wilson; Thompson, T.; White, C. F.; Wilson, J. W.; Wood, Major, M. M.

Labour (33): Bell, A.; Bowerman, C. W.; Brace, W.; Brown, J.; Cape, T.; Carter, W.; Edwards, C.; Finney, S.; Graham, D. M.; Graham, R.; Graham, W.; Griffiths, T.; Grundy, T. W.; Guest, J.; Hall, F.; Hartshorn, Vernon; Hayday, A.; Hirst, G. H.; Lunn, W.; McLean, Neil; Morgan, Major D. W.; Myers, Tom; Parkinson, J. A.; Richardson, R.; Roberts, G. H.; Rose, F. H.; Shaw, T.; Short, A.; Sitch, C. H.; Spencer, G. A.; Walsh, Stephen; Wedgwood, Col. J. C.; Young, R.

Col. Lib. (18): Barnes, Major H.; Barrand, A. R.; Barton, Sir Wm.; Broad, T. T.; Casey, T. W.; Cowan, D. M.; Gilbert, J. D.; Hancock, J. G.; Hayward, Major Evan; Hinds, J.; Johnstone, J.; Jones, Sir E. R.; Jones, H. Haydn; Lyle-Samuel, A.; Murray, Lt.-Col. A. C.; Robinson, S.; Taylor, J.; Wallace, J.

Ind.: Bottomley, Horatio; Murray, Dr. D. *Co. Un.*: Wilson, Col. Leslie O. *Co-op.*: Waterson, A. E. *Tellers: Ind. Lib.*: Thorne, G. R., *Lab.*: Wilson, W. T.

Report on Debate to be continued.

* Extracts from these speeches will be reported in our next month’s issue. † Ministers.