

THE PRIME MINISTER'S ADMISSION

"It may be argued that the step which has been taken indicates the power of certain interests."

(Correspondence between the Prime Minister and the Secretary of the United Committee for the Taxation of Land Values.)

10 DOWNING STREET. 14th May, 1934.

DEAR SIR,

I have received a letter which you are sending to the Press about the repeal of the Land Value Tax. I anticipated that this proposal would give an opportunity of raising the whole question of Land Taxation although, as a matter of fact, it is not raised in the decision itself. The clauses have never been put into operation and were suspended as one of the first acts following upon the crisis which led to a change of Government. It may be argued that the step which has been taken indicates the power of certain interests, but it is not in accordance with truth to describe the effect of what is being done as "staying a reform that has been repeatedly endorsed by democratic majorities and insistently demanded by hundreds of municipalities." A Government which was determined to "take drastic and energetic steps to put into operation the taxation of land values" would have to proceed to legislation, as the clauses that have been in suspense for years, largely owing to amendments which the Chancellor had unwillingly to accept from both Liberals and Conservatives, were not sufficiently full to enable a great deal to be done.

I am, Yours very truly,

J. RAMSAY MACDONALD.

A. W. Madsen, Esq.

Reply.

94 PETTY FRANCE, S.W.1. 16th May, 1934.

The Prime Minister,
10 Downing Street, S.W.1.

SIR,

I have to acknowledge with thanks the receipt of your letter of the 14th instant. The statements to which you refer were contained in a resolution adopted by my Committee on the 11th May. It was in the following terms:—

"The United Committee for the Taxation of Land Values registers its emphatic protest against the unwarranted decision of the Government to repeal the Land Value Tax. Claiming to be 'National' the Government has clearly revealed, in its surrender to the landed interests, who are the real masters of this Parliament. Against the public interest, it proposes to stay a reform that has been repeatedly endorsed by democratic majorities and insistently demanded by hundreds of British municipalities. The Taxation of Land Values as the means to solve the problems of unemployment and poverty is more urgently needed than ever. The issue now raised in acute form calls for a determined agitation to reverse this set-back to democratic aspirations and to place in power a Government, free from the trammels of privilege and monopoly, which will take drastic and energetic steps to put into operation the Taxation of Land Values with the least possible delay."

The action of the Government in repealing the Land Value Tax cannot be explained except upon the reasons that are stated in our resolution. Confirmation

of our views is conveyed in your own observation that "It may be argued that the step which has been taken indicates the power of certain interests." No one can know better what influences have been brought to bear than yourself as Prime Minister.

The latter part of your letter seems to imply that the repeal of the Act can be justified as clearing the way for the introduction of more comprehensive and drastic proposals for carrying out the principle of Land Value Taxation; but the public can be left to judge what has been the real motive. Legislation passed by the previous Parliament is being destroyed without any mandate from the electorate and in despite of your own emphatic declaration that as head of the National Government you would not be associated with any "partisan manœuvring."

As your letter is a comment on a resolution which as you mention has been communicated to the Press, I propose to make it public also, together with this reply.

Yours faithfully,

A. W. MADSEN.

This correspondence was printed in the principal daily newspapers throughout the country. One or two papers chose to pass it over in silence, notably "The Times" and the Liberal "News-Chronicle." These papers joined in burking the discussion. In the words of Leo Tolstoi "the chief weapon against the teaching of Henry George is that which is always used against irrefutable and self-evident truths. This method, which is still being applied in relation to George, is that of hushing up."