

## THE POLICY OF THE LAND VALUES GROUP IN THE HOUSE OF COMMONS

AN ADDRESS DELIVERED BY P. WILSON RAFFAN, M.P., AT THE EIGHTY-FOURTH DINNER OF THE NATIONAL LIBERAL CLUB POLITICAL AND ECONOMIC CIRCLE, 25th November, 1912.

### THE GROWTH OF THE MOVEMENT IN PARLIAMENT.

A review of the growth and development in Parliament of the movement for the taxation and rating of land values would not be complete which did not include a reference to the public agitation that has been carried on in the press and on the platform by the advocates of the reform for the past thirty years.

This propagandist work has been conducted in the main by the United Committee and the Associated Leagues for the Taxation of Land Values, whose services in educating public opinion by press agitation, indoor and outdoor meetings, and the publication and distribution of explanatory literature, have universally been admitted to be the chief cause of the great progress that has been made.

An attempt however to trace the beginnings of the movement in the country and show how its well-directed propaganda influenced municipal and parliamentary elections and thoroughly permeated democratic politics would bring us altogether outside the scope of this paper. We can only take the driving power that has moved Parliament to action as a fact, and confine our discussion to the progress made within Parliament itself in the endeavour to give effect to the popular demands for the reform known as the rating and taxation of land values.

### COMMISSION ON THE HOUSING OF THE WORKING CLASSES.

The principle of the taxation of land values first found expression in a Parliamentary document in the report of the Royal Commission on the Housing of the Working Classes published in 1885. The famous passage which was written by Lord Sheffield has since been repeatedly quoted, and it is worth noticing that the late King Edward VII., when Prince of Wales, was a member of the Commission and subscribed to its recommendations. The Report said in regard to rating:

At present, land available for building in the neighbourhood of our populous centres, though its capital value is very great, is probably producing a small yearly return until it is let for building. The owners of this land are rated, not in relation to the real value, but to the actual income. They can thus afford to keep their land out of the market, and to part with only small quantities, so as to raise the price beyond the natural monopoly price which the land would command by its advantages of position. Meantime, the general expenditure of the town on improvements is increasing the value of their property. If this land were rated at, say, 4 per cent. on its selling value, the owners would have a more direct incentive to part with it to those who are desirous of building, and a two-fold advantage would result to the community. First, all the valuable property would contribute to the rates, and thus the burden on the occupiers would be diminished by the increase in the rateable property. Secondly, the owners of the building land would be forced to offer their land for sale, and thus their competition with one another would bring down the price of building land, and so diminish the tax in the shape of ground rent, or price paid for land which is now levied on urban enterprise by the adjacent landowners—a tax, be it remembered, which is no recompense for any industry or expenditure on their part, but is the natural result of the industry and activity of the townspeople themselves. Your Majesty's Commissioners would recommend that these matters should be included in legislation when the law of rating comes to be dealt with by Parliament.

### EARLY RESOLUTIONS MOVED IN PARLIAMENT.

From 1885 till 1902 little was said or done in Parliament in connection with the taxation of land values. The subject was discussed only occasionally, when for instance Mr. A. D. Provand moved his resolution on 8th March, 1895, to the effect that:—

No system of taxation can be equitable unless it includes the direct assessment of the enhanced value of land due to the increase of population and wealth, and the growth of towns.

The resolution was agreed to without a division.

On 10th February, 1899, Mr. E. Morton moved his Amendment to the Queen's Speech expressing the regret of the House of Commons that:—

There is no indication in your Majesty's gracious speech that measures will be submitted to this House dealing with the ownership, tenure, or taxation of land.

The Amendment was defeated by 157 to 123.

On 2nd May, 1900, Mr. T. W. Nussey moved a resolution, which was defeated by 140 to 98, to the effect that:—

Having regard to the heavy and increasing burden of local taxation in urban and certain other districts, the House urges upon the Government the necessity of forthwith redressing the undoubted grievances from which many ratepayers suffer.

On 14th May, 1900, Mr. Alfred Billson introduced a Bill which did not proceed beyond the first Reading, providing for the separate assessment of land on 4 per cent. of its capital selling value, and to amend the law relating to parochial assessments in England and Wales.

### THE ROYAL COMMISSION ON LOCAL TAXATION.

The formal reply from the Ministerial Benches to every attempt in those days to raise the question of the taxation of land values was that a Royal Commission had the whole subject under consideration, and members should be content to await its recommendations. This was the Royal Commission appointed on 15th August, 1896, "to inquire into the present system under which taxation is raised for local purposes, and to report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure that result." The First Report of the Commission was published on 18th December, 1898, the Second on 10th January, 1899, and the Final Report on 28th May, 1901. In addition to these reports, numerous separate papers and memoranda were issued independently by members of the Commission, and of these papers the most noteworthy was the so-called "Minority" or Separate Report on Urban Rating and Site Values, signed by Lord Balfour of Burleigh, Lord Blair Balfour, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

It would be impossible to give any adequate statement, even in the most summary form, of the conflict of opinions contained within all the numerous reports and memoranda both of the Commission itself and of its members acting separately. And it is not necessary. The chief contribution in the Final Report of the Commissioners to the problem was their recommendation to treat as *national* the four services of Poor Relief (including the provision of Asylums), Police, Education, and Main Roads. All the other various

reports are in agreement as to the distinction thus laid down. But the Final Report did not indicate any satisfactory method of raising the national fund nor propose an equitable basis for local taxation generally. It considered and rejected the idea of a local income tax, and of an inhabited house rate. It had nothing to suggest except that the existing system of subventions should be continued and that certain further revenues (increased licenses and inhabited house duty) should be assigned to local authorities. Little or no attempt was made to show that this would give real relief where relief is needed. The Final Report in effect only recommended a further policy of drift.

#### THE MINORITY REPORT.

The Final Report of the Majority of the Commission was against both the separate valuation of land and the placing of special rates upon land values. But the Minority Report recommended in favour of the reform for urban districts. And approaching the question of the national services, Lord Balfour and his colleagues said, "Unless the owners of urban ground values are to be relieved at the expense of the taxpayer (a course which probably no one would advocate) it seems most necessary to accompany the increase of subventions in urban districts by the imposition of a site value rate." I will discuss later the application of this principle to the policy now urged upon the Government by the Land Values Group in Parliament.

#### ENGLISH AND SCOTTISH RATING BILLS.

The growth of the sentiment in favour of the local rating of land values received a great impetus from the municipal agitation, which, commencing in Glasgow in 1895, had spread over the whole country and had been joined by as many as 518 local Councils, including Glasgow, London, Manchester, Liverpool, Halifax, Bolton, Aberdeen, Dundee, Sunderland, Bradford, Sheffield, &c., &c. Powers were repeatedly demanded from Parliament which would enable local authorities to impose rates upon land values, and these demands found expression in a number of Bills which were introduced between 1902 and 1905, some applying to England and Wales, and the others only to Scotland.

The English Bill of 1902, introduced by Mr. Charles P. Trevelyan, was defeated at Second Reading on February 19th, 1902, by a majority of 71 in a house of 387. The English Bill of the following year, introduced by Dr. Macnamara, was defeated at Second Reading on March 27th, 1903, by a majority of 13 in a house of 353.

A Bill introduced by Mr. Trevelyan ("The Municipal Bill") passed the Second Reading on March 11th, 1904, by a majority of 67 in a house of 379. The Bill was reintroduced with slight alterations the following year and passed the Second Reading on April 14th, 1905, by a majority of 90 in a house of 314.

Neither of these Bills was proceeded with. Like the others they were simply treated as subjects for Second Reading Debates on the broad principle. It is noteworthy that they were submitted in a Conservative House of Commons with an increasing vote in their favour, and many Conservatives supported the principles at issue.

In regard to Scotland, a Bill was introduced in 1903 and again in 1904, neither of which proceeded beyond the First Reading. They dealt only with unoccupied land in Burghs. In 1904 Mr. Caldwell introduced the Land Values Taxation (Scotland) Bill, promoted by the Glasgow Corporation and generally known as the "Glasgow Bill." It did not proceed beyond the First Reading. In 1905 it was reintroduced by Mr. Ainsworth and passed the Second Reading on May 19th by a majority of 20 in a house of 266. In 1905 another Bill for Scotland called the Land Values Assessment Bill was introduced by Mr. Munro Fergusson but it was not proceeded with beyond a First Reading.

#### THE LIBERAL PARTY PLEDGED TO THE REFORM.

I have stated very briefly the progress of the reform in Parliament up to the time of the great political upheaval in 1906. The General Election in the beginning of that year returned to power a Government which was pledged to the taxation and rating of land values by the repeated declarations not only of the leaders of all shades of opinion but also by the whole rank and file of the Liberal Party. The reform was a prominent issue at the Election. As far back as 1889 the annual meeting of the National Liberal Federation at Manchester had adopted a resolution which declared among other things that in any reform of the land laws a just and equitable taxation of land values and ground rents was an essential condition. It further affirmed its belief that the abolition of the present duties upon necessary foods such as tea, coffee, and cocoa was demanded in the interests of the people and that the remission of those duties could be effected with due regard to economy by the juster methods of taxation demanded by the Federation. These reforms were still more emphatically demanded at the annual meeting of the National Liberal Federation in 1891 in the famous Newcastle programme. Since then the numerous speeches and declarations of Liberal politicians, and the leaflets and pamphlets issued by the Liberal Publication Department, bear witness to the place held by the taxation and rating of land values in the counsels of the party.

#### MUNICIPAL DEPUTATION TO THE NEW GOVERNMENT.

Although the proposal for the imposition of a national tax on land values had been as vigorously urged in public as the proposal to base local rates on land values, the question entered the new Parliament in the latter form. The rating of land values was ripe for treatment, for Bills dealing both with England and Scotland had already been discussed in the previous Administration. The municipal agitation, moreover, at this time dominated the situation. At the National Conference of Rating Authorities held in Manchester on 22nd November, 1905, at which the Lord Mayor of Manchester presided, it was decided to present a petition to the House of Commons praying for the passing of a Bill dealing with the provision of the separate assessment and rating of land values. A deputation of 150 gentlemen representing 118 municipal bodies which was received by Mr. Asquith (in the unavoidable absence of Sir Henry Campbell Bannerman), Mr. Bryce, and Mr. John Burns, on 26th February, 1906, presented the Petition. The objects of the deputation were stated by Mr. J. H. Whitley, who introduced it, by Lord Provost Billsland and Ex-Bailie Ferguson of Glasgow, and by the Lord Mayor of Manchester. Mr. Asquith said in reply:—

I have always regarded this movement properly understood as being not a derogation from, but an assertion of the rights of property. It is right and just that the community should reap the benefit of the increased values which are due to its own expenditure and its own growth. I suppose we are all agreed that as a preliminary step there should be a separate assessment (valuation) of site (land) values. We (the Government) desire to have time to carefully consider the best way of giving effect to the principles I have enunciated. I believe we shall arrive at a more satisfactory and more permanent result if we allow ourselves a little time and patience for the consideration of this problem, than if we were to introduce a comparatively small and piecemeal instalment of the reform which we all desire.

#### FORMATION OF THE LAND VALUES GROUP.

Soon after the new Parliament of 1906 assembled, a number of Liberal and Labour Members, specially interested in the taxation and rating of land values, formed themselves, under the chairmanship of Mr. J. H. Whitley, into a "Land Values Parliamentary Campaign Committee," to initiate and promote land values legislation in Parliament.

The Committee quickly grew in numbers, and before Easter in 1906 the "Land Values Group," as it came to be called, counted as many as 280 members. They took steps at once to prepare and recommend legislation. After Mr. Asquith's statement as to the need of separate assessment of land values as a preliminary step, the Group appointed a sub-committee to draft a Bill applicable both to England and to Scotland. At a meeting of the Group on 10th April, 1906, it was decided to present the Bill to the Prime Minister and to press for the immediate preparation at the Local Government Board of a scheme of legislation which would make the valuation of land, apart from buildings and improvements, an integral part of the local assessment, to be immediately followed by the passing of legislation to place a large part of the present rates and taxes now levied upon houses, buildings, improvements, and industry, upon that land valuation.

The Group influenced the publication of the Blue-Books containing information on the working of taxation on unimproved land, both for municipal and State purposes, in New Zealand, New South Wales, South Australia and Queensland. These Blue-Books (Cd. 3191 and Cd. 3890) have since been re-published, with papers on Land Taxes and Land Valuation in other countries, in Blue-Book Cd. 4750, which was issued at the time of the Budget controversy in 1909.

#### LAND VALUES TAXATION (SCOTLAND) BILL.

During the first four months of 1906 the Group centred their attention also upon the debates and discussions on the Land Values Taxation (Scotland) Bill, introduced by Mr. Sutherland as a private measure, and making the same provisions as the Bill which in 1904 and 1905 had been accepted in principle by the previous Administration. It would have given power to the town council of every Burgh to levy a rate not exceeding 2s. in the £ upon the annual value of all land in the Burgh. That annual value was to be calculated at 4 per cent. upon the price as between a willing seller and a willing buyer, exclusive of all buildings, &c., on or connected with the ground. The Bill passed its Second Reading on 23rd March by a majority of 258, and on 24th April was committed to a Select Committee of whom the following were the members: Mr. Alexander Ure (Chairman), Mr. Hugh Barry, Mr. A. Dewar, Mr. Findlay, Mr. J. Henderson, Mr. M'Killop, Mr. Mitchell Thomson, Mr. O'Hare, Mr. Remnant, Mr. T. F. Richards, Mr. Sutherland, Mr. Trevelyan, Mr. Dundas White, Mr. McKinnon Wood, and Mr. Younger.

#### THE GOVERNMENT'S PROMISED VALUATION BILL.

As the Session proceeded, there was no sign of the fulfilment of the Government's promises in connection with the Valuation Bill, although rumours had been frequent that the Local Government Board had the subject under consideration. It was, therefore, thought desirable to bring pressure once more on the Government, who were urged in a second memorial from the Land Values Group, signed on this occasion by as many as 400 Members of Parliament, to bring forward in the following Session their promised legislation on the taxation of land values. The memorial was presented on 18th December, 1906, by a deputation of 150 Liberal and Labour Members. The Prime Minister, Sir Henry Campbell-Bannerman, in his reply, pointed out that the full reform desired by the Members interested could not be carried out in a single measure, and that this made it all the more desirable that the necessary preliminary of valuation should be undertaken without delay. He expressed a confident hope that a measure for the separate valuation of land values would find a place in the Government programme for next session.

The intentions of the Government indicated in the Prime Minister's and the Chancellor of the Exchequer's pledges to deputations were further revealed in the King's Speech

on the re-assembling of Parliament in 1907, announcing the introduction of measures for dealing with the tenure and valuation of land in Scotland, and for the valuation of property in England and Wales. On the day Parliament met, Mr. John Burns, President of the Local Government Board, gave notice of the introduction of the English Bill.

#### THE REPORT OF THE SELECT COMMITTEE.

The promises of the Government in regard to Scotland were amply fulfilled. In December, 1906, the Report of the Select Committee on the Land Values Taxation (Scotland) Bill was issued. It recommended that the Bill should not be proceeded with, but that "a measure be introduced making provision for a valuation being made of the land in the Burghs and Counties of Scotland apart from the buildings and improvements upon it, and that no assessment be determined upon until the amount of that valuation is known and considered." The opportunity was taken in the Report to review most fully the whole question of the rating of land values. It contained an uncompromising declaration in favour of the placing of all local rates on land values, the rates to be paid by all owners (including the "superiors" in receipt of feu duties) of rights in land in proportion to the value of these rights. The Select Committee Report proved a campaign document of the utmost value for the promoters of the reform and was the keynote of a long series of successful public demonstrations organised by the United Committee and the Leagues for the Taxation of Land Values, in which the then Solicitor-General for Scotland, Mr. Alexander Ure (Chairman of the Select Committee), and now Lord Advocate, took the leading part.

#### THE LAND VALUES (SCOTLAND) BILL.

On 13th May, 1907, the Land Values (Scotland) Bill was introduced into the House of Commons as a Government measure by the Lord Advocate, the Right Hon. Thomas Shaw, and it followed the recommendations of Mr. Ure's Select Committee. The Bill passed the Second Reading by a majority of 194 votes and the Third by a majority of 139. It was rejected by the House of Lords. It was re-introduced into the House of Commons on 19th February, 1908, and passed the Second Reading by a majority of 273 votes. In the House of Lords it was so mutilated as to be nullified in effect. The Government therefore decided to abandon it.

#### THE ENGLISH VALUATION BILL NOT INTRODUCED.

Nothing, however, came of the promises in regard to the English Bill. The Land Values Group had continued their agitation for the Bill and had got further repeated promises from the Government as to its introduction, but for some reason or other not fully understood it was never tabled. At the Drury Lane Land Reform Meeting on 20th April, 1907, the Government pledges were renewed by Sir Henry Campbell-Bannerman in his declaration that the "bridge between town and country will be furnished by a Bill which will, I hope, be passed into law during the present Session—the Valuation Bill." On the 19th June, 1907, the Land Values Group sent a deputation of 150 Liberal and Labour Members to urge progress not only with the Scottish Bill, then before the House, but also with the English Bill. In reply to the deputation Sir Henry Campbell-Bannerman spoke of the "great difficulties" surrounding the English Bill, which had not been realised at the outset. It would be useless to make an instant valuation of the land of the country as apart from the buildings which stood upon it. There were too many different kinds of authorities and their methods did not agree. Unless the work was to be done twice over, it was necessary that the assessment system of the country should be unified and to secure that, a long and carefully drafted Bill was needed. During the autumn the Solicitor-General

(Sir Wm. Robson) would draft such a measure, and early next Session the Bill would be introduced. Whether the machinery Bill would include the Valuation Clauses or whether a special Bill was to be drafted for that purpose was not then decided.

All that can be said in regard to this Government declaration is that it reads strangely in the light of the Valuation now proceeding, which has not required any preliminary reconstruction in the methods of the local assessment authorities in England.

But 1907 went by without any sign of the proposed legislation; 1908 brought more promises and a final postponement. In October it was announced that the Bill would not be introduced, although on 12th May Mr. Asquith (who was now Prime Minister) said, in reply to an amendment during the debate on the Housing and Town Planning Bill, that his Right Hon. Friend (Mr. John Burns) would introduce at an early date a Valuation Bill for England and Wales with two objects—first of all to simplify and methodise and make, as far as possible, uniform the system of valuation throughout the length and breadth of England and Wales. The second object would be to provide a separate valuation of sites and buildings. Again, speaking on 19th June, 1908, at the National Liberal Federation meeting in Birmingham, Mr. Asquith referred to the Housing and Town Planning Bill and said: "I agree with those who think that its necessary complement is a complete reconstruction of our valuation and rating systems."

#### THE BUDGET OF 1909.

The supporters of the taxation and rating of land values being thus thwarted in their efforts to secure valuation, on the one hand for Scotland by the House of Lords, and on the other hand for England by forces outside the House of Lords, turned to the Finance Bill, as a means of placing their principles on the Statute Book. In 1908 a vigorous agitation was prosecuted all over the country for a tax on land values to be embodied in the Budget of 1909, and with it as a matter of course a universal valuation separating the value of land from all the value of improvements on or attached to the land.

In Parliament the Land Values Group organised a petition on these lines to the Government, which was signed by 250 Liberal and Labour Members and presented to the Government on 24th November, 1908. The Group also issued a letter to all Liberal Associations suggesting they should pass the following resolution:—

That this Association (League, or Council) expresses the hope that the Government will take the earliest opportunity of introducing a sound measure of land reform by taxing land values, in accordance with pledges already given, both as a means of raising revenue and of dealing with the problem of unemployment by promoting a more profitable use of the land.

On 29th April, 1909, Mr. Lloyd George, the Chancellor of the Exchequer, introduced his historic Budget, in regard to which Mr. Asquith had announced at the National Liberal Club on 11th December, 1908:—

It will stand at the very centre of our work. It will, and must, raise again in the acutest form a controversy from which we do not shrink. . . . Finance is an instrument of great potency and also of great flexibility, and it might be found to be, in some directions at any rate, a partial solvent of what, under our existing constitutional conditions, might otherwise be an insoluble problem.

It is not necessary here to dwell at any length upon the provisions of the Budget. They are familiar even to those who take but a superficial interest in politics. The clauses in the Bill most-welcomed by the advocates of the taxation of land values were those which at last provided the "preliminary step," in the form of a universal valuation through-

out the United Kingdom separating the value of the land from the value of improvements. The "Land Value Duties" (the increment duty of 20 per cent. on increase in land values, the reversion duty of 10 per cent. on the value of reversions, the undeveloped land duty of  $\frac{1}{2}$ d. in the £, and the mineral rights duty of  $\frac{1}{2}$ d. in the £) were warmly accepted by many sections of land reformers, but they were never considered by the advocates of the taxation of land values as either an instalment of or equivalent for the straight tax on land values, which had been demanded in their agitation both inside and outside Parliament.

#### AMENDMENTS IN THE LAND CLAUSES.

During the prolonged debates on the Budget which occupied Parliament for the best part of the year 1909, a number of amendments were conceded to the landed interests, who were bitterly opposed to the whole scheme. The most significant amendment was in regard to the method of valuation, in virtue of which owners were no longer obliged to furnish estimates of capital value, though they might do so if they thought fit. The trouble and expense of valuation was thrown upon the State. Although the universal valuation was thoroughly safeguarded, the decision not to compel owners to return their values has met with the most serious objections in certain quarters, and is held responsible for the long time that will be required to complete the work.

The Land Value Duties underwent considerable changes that I need not attempt to catalogue, save only to mention the entire remodelling of the mineral rights duty, which, instead of being a tax upon the capital value of minerals, and likely to have a stimulating effect in the development of mines, was altered to an annual duty of 1s. in the £ on mining royalties. In its new form the mineral rights duty became merely an extra income tax—a clear departure of principle more in line with the present system of rating land according to the use made of it than with the principle that underlies the undeveloped land duty.

The Budget emerged in its final state from the House of Commons on 2nd November, 1909, after a Third Reading majority of 230 votes. The House of Lords set at nought the long-established financial privileges of the House of Commons. They rejected the Bill, precipitated not one but two General Elections, brought to an issue the long standing quarrel between the two Houses, and encompassed their own downfall in a drastic curtailment of their own powers.

#### THE LAND AND TAXATION REFORM MEMORIAL.

The members of the Land Values Group had taken a prominent part in the fight that raged round the Budget, and it was due to their constant efforts that the measure came out of the fire of controversy as it did. After the General Election in January, 1910, the Bill was forced through the House of Lords and became law on 29th April, 1910, exactly one year after its introduction. The Valuation commenced forthwith and the necessary machinery for the reform of local and national taxation being set in motion, the Land Values Group immediately considered the next progressive step to be taken by which the Valuation should be used to carry out much-desired and long-delayed reforms. A comprehensive policy was proclaimed which, based upon the land valuation and urging both its early completion and its results being made known to the public, proposed legislation for the local rating of land values, the remission of the breakfast-table duties, and the redistribution of local and Imperial taxation so as to do justice as between one district and another and prevent the benefit of the relief to the poorer districts going where it was not intended to go, which had been the net result of the policy of "doles." This programme was formulated in the now well-known Land and Taxation Reform Memorial of

the Land Values Group in Parliament, the text of which is as follows:—

We, the following Members of Parliament, desire to place on record our grateful appreciation of the efforts of the Prime Minister, the Chancellor of the Exchequer, and the other Members of the Cabinet, in placing upon the Statute Book of the Country the Budget of 1909-10, which for the first time recognises the principle of the separate valuation of land, and thus provides the foundation necessary for such further reforms as will result in securing for the people of this country a more equitable distribution of the burdens of the State, in securing to each the results of his own labour, and in opening up the land to those who can make the best use of it.

We therefore respectfully urge the Government to continue and develop the policy inaugurated by the Budget by:—

- (1) Making land values available for public needs;
- (2) Freeing industry from monopoly and undue burdens of taxation;
- (3) Completing the policy of Free Trade by
  - (a) Securing greater opportunities to produce in our own country by affording greater opportunities to use the land; and
  - (b) Abolishing the duties that remain on the food of the people.

We ask that this policy may be carried into effect by:—

- (1) Hastening the completion of the valuation of all land apart from improvements, provided for in the Budget of 1909-10;
- (2) Making that valuation accessible to the public;
- (3) Empowering Local Authorities to levy rates on the basis of that valuation;
- (4) Levying a Budget Tax on all Land values to be applied
  - (a) In providing a national fund to be allocated towards the cost of such services as Education, Poor Relief, Main Roads, Asylums, and Police, thereby reducing the local rates; and
  - (b) In substitution of the duties on tea, sugar, cocoa and other articles of food.

#### JUSTIFICATION OF THE MEMORIAL POLICY.

These demands were strictly in line with the policy of the Liberal Party itself. They contained nothing to which the Party had not been pledged by the most outspoken declarations of both its most representative members and its most representative meetings during the past twenty years. We have seen how in 1889 and in 1891 the repeal of the duties on tea, coffee, cocoa, &c., had been demanded, and how the taxation of land values had been suggested as the alternative source of revenue. We have reviewed the record of the work done in Parliament in urging the rating of land values, culminating in the Select Committee's recommendation to make land values the sole basis of rating. Finally, the chaos existing in the relations between local and national taxation had given occasion for the long deliberations of a Royal Commission, and for recommendations to Parliament which had provided much useful material for the students of taxation, but had not spurred statesmen to action. Since then, with the growth of local taxation and the passing of the Agricultural Rates Act, so severely condemned by the Liberal Party, the chaos has increased and the grievances with which the Royal Commission was appointed to deal have grown worse. The urgency of the problem has long been acknowledged, but it is no part of the Liberal policy to attempt a solution without the entire revision of the whole policy of the grants-in-aid of local taxation on a basis that will do justice all round.

This view was expressed by Mr. Asquith in the House of Commons on 19th February, 1908, in reply to Mr. Hedges' resolution that:—

In the opinion of this House, the present system of local taxation and the relations between local and Imperial

burdens demand the immediate attention of His Majesty's Government, with a view to a more equitable distribution as between local and Imperial obligations.

Mr. Asquith said:—

For the local expenditure which is ultimately to be chargeable locally you will have to reply first on an improved system of rating, and secondly upon some system of taxation of site values. I am most anxious to have an early opportunity of dealing with local taxation, but I repeat I cannot put the matter in train for legislative solution until, first, having swept aside the cumbrous system of assigned revenue, we next get a proper system of valuation in working order, and so can do even-handed justice not only as between the Imperial Exchequer and the ratepayers of the country, but also as regards the localities.

Mr. Asquith recurred to the subject at the Land and Housing Reform meeting at the Holborn Restaurant on 24th June, 1909, when he said:—

I have spoken as strongly as any man, when Chancellor of the Exchequer, and I have not abated one jot of the opinions I held against the vicious system of grants-in-aid. They are thoroughly demoralising to all parties concerned. I strongly held the view which, I believe, is shared by most Liberals, that when the time comes, as come it will soon, for the re-adjustment between local and Imperial taxation, the form which the increased subventions from the centre to the localities ought to take should be the form of transfer of service and not the form of a dole in relief of rates.

#### THE URGENT NATURE OF THE PROBLEM.

A definite undertaking to deal with this aspect of the problem was given by Mr. Lloyd George on 30th June, 1910, in the House of Commons in his Budget speech, in which he said:—

I have had many applications from the County Councils with respect to roads, police and other services. If every penny the Exchequer can pay is given to local authorities in this form, you would prejudice every claim. It is of supreme importance that when we come to deal with the re-adjustment of local and Imperial finance—I do not believe it will be possible to postpone that question beyond this year; I think whoever stands at this box next year will have to deal with that problem, and deal with it thoroughly—I cannot conceive of anything more impolitic than that the Chancellor of the Exchequer should prejudge the whole question of these rival claims by picking out one, even if he had the money.

Mr. Lloyd George has, however, since indicated the function of the Valuation in effecting the redistribution of local and Imperial taxation, for in the Debate on the Third Reading of the 1911 Finance Bill on 13th December, 1911, he said:—

I do not believe the Valuation will be completed much later than the period indicated by the Prime Minister when he introduced the Valuation proposals in the Budget of 1909. When it is accomplished it will be a very great piece of work. It will be of enormous value, not merely for the taxation we imposed under the Budget of 1909, but for the reconsideration of the problem of local as well as Imperial taxation.

Naturally enough the stipulation made by Mr. Lloyd George in June, 1910, to which, pending the completion of the Valuation, it would have been impossible to give effect on the lines indicated by Mr. Asquith, was not forgotten by those who wish to see an immediate and a large extension of the Exchequer grants out of the consolidated fund—a process which would ultimately enrich local landowners at the expense of the general taxpayer. The Government were challenged with Mr. Lloyd George's promise and the subject was brought prominently forward in the House of Commons on 13th February, 1911, in an Opposition amendment to the Address in reply to the King's Speech. The promise of course could not be gainsaid and Mr. Hobhouse,

who replied from the Treasury benches, reviewed the difficulties connected with any proposal for the readjustment of local and Imperial finance and officially announced that the Government "would appoint a small Committee to go as soon as possible into the points which still stood over, in order that the pledges given by the Chancellor of the Exchequer, by the Prime Minister and by the Leader in the other House might be kept and redeemed in good faith, as they had been made."

#### THE DEPARTMENTAL COMMITTEE ON LOCAL TAXATION.

The "Departmental Committee on Local Taxation" was duly appointed, composed of Government officials, and officials of local rating and other authorities, and its terms of reference were "to inquire into the changes which have taken place in the relations between Imperial and Local Taxation since the Report of the Royal Commission on Local Taxation in 1901, to examine the several proposals made in the Reports of that Commission, and to make recommendations on the subject for the consideration of His Majesty's Government with a view to the introduction of legislation at an early date."

#### THE RECEPTION OF THE LAND AND TAXATION MEMORIAL.

The Land and Taxation Reform Memorial of the Land Values Group was first presented to the Government on 3rd August, 1910, and was signed by 143 Liberal and Labour Members. After the General Election in December, 1910, the Group gained a considerable accession in strength, and when the Memorial was presented to the Prime Minister and the Chancellor of the Exchequer on 18th May, 1911, it was endorsed by 173 Liberal and Labour Members of Parliament. The Group were represented at the deputation by Mr. C. E. Price (Chairman), Mr. P. Wilson Raffan (Hon. Secretary), Sir Albert Spicer, Mr. Josiah C. Wedgwood, Mr. Francis Neilson and Mr. Philip Morrell, and received most encouraging replies from both Mr. Asquith and Mr. Lloyd George.

Mr. Lloyd George stated, in reply to the deputation, that he was fully alive to the urgency and importance of the problem. It was obviously one of the matters which required to be considered in connection with the readjustment of local and Imperial finance, and had been receiving his careful attention. He had now appointed a special Committee to report on the question of this readjustment, and the matter was, to some extent, out of his hands until the report of the Committee had been presented. He therefore suggested that the deputation should lay their views fully before this Committee, who were authorised to receive evidence on the subject, and they could rest assured that the points mentioned in the Memorial would thus receive full and careful consideration. In reply to a question, the Chancellor of the Exchequer said it was expected that the Valuation would be complete within five years from the date of the passing of the Budget of 1909.

The Prime Minister expressed his full concurrence with the views expressed by the Chancellor of the Exchequer, and mentioned that twenty years ago, before this question had attracted any large share of attention in the House of Commons, he was associated with Lord Haldane, Sir Edward Grey, Mr. Sydney Buxton, Mr. Arthur Acland, and others in a movement to secure for local authorities part of the value of land which was due to the enterprise, expenditure and energy of the community. Great progress had been made since then, not only had public sentiment ripened, but substantial steps had been taken in the direction of the reforms advocated by the deputation. The first of these steps was the valuation of land, provided for in the Budget; the second was the Budget tax on undeveloped land; and the third was the appointment of the Committee which was to report upon the relationship between local and Imperial finance. He regarded the

question as of great importance, both in its urban and in its rural aspects, although, in his opinion, the rural aspect was more urgent at the present time.

#### THE EVIDENCE OF THE LAND VALUES GROUP.

The invitation to present their case to the Departmental Committee on Imperial and Local Taxation coincided entirely with the wishes of the members of the Group. A full statement of the case for the Land Values Group was prepared in the form of a printed memorandum. This was presented to the Committee in November, 1911, and was supported by independent evidence prepared by Mr. Josiah C. Wedgwood, M.P., Mr. J. Dundas White, M.P., Sir Albert Spicer, M.P., and Councillor Chas. H. Smithson. The witnesses were cross-examined and were able in this way to make a complete and convincing statement of the policy embodied in the Memorial.

The memorandum of evidence and the oral examination of the witnesses have since been published with the First Report of the Departmental Committee, issued on 26th June, 1912, in the two Appendices, Cd. 6303 I., containing the Minutes of Evidence, and Cd. 6303 II., containing the Memoranda submitted to the Committee. The other bodies that gave evidence before the Departmental Committee were the Institute of Municipal Treasurers and Accountants; the County Councils Association; the Association of Education Committees; the Rating Surveyors Association; Central Chamber of Agriculture; Farmers' Club; the County Accountants Society; the Surveyors' Institution; the Central Land Association; the National Union of Teachers; the Metropolitan Borough Councils; the National Chamber of Trade; the National Farmers' Union; and the Horticultural Trades Association. Of these bodies, the Rating Surveyors' Association, the Central Chamber of Agriculture, the Farmers' Club, the Surveyors' Institution, the Central Land Association, and the Horticultural Trade Association declared their opposition to the taxation and rating of land values.

#### THE REDISTRIBUTION OF LOCAL AND IMPERIAL BURDENS.

In regard to the redistribution of local and national taxation, the Land Values Group accept the suggestion made in the several reports of the Royal Commission on Local Taxation that Poor Relief (including the provision of asylums), Police, Education, and Main Roads should be treated as services, which, though locally administered, are largely national in character, and toward the cost of which there should be a contribution from national funds. For this purpose the Group proposed a Budget Tax on all land values, and claimed in their evidence to the Departmental Committee that their policy was justified by the recommendations of the Separate or Minority Report of the Royal Commission on Local Taxation. The Minority Report indicated, as has already been shown, that Lord Balfour of Burleigh and his colleagues who signed the Report thought that, in order to prevent the owners of ground values being relieved at the expense of the taxpayer, it was necessary to accompany any increase of subventions in urban districts by the imposition of a land value rate. The Land Values Group propose to accompany the contribution out of national funds toward the cost of the services mentioned above, not by a site value rate in urban districts only, but by a national levy on land values over the whole Kingdom. The Minority Report stated that "the effect of taxing site values would be primarily a redistribution of burden as between different districts and different hereditaments." The redistribution of burden which the Minority Report considered ought to be brought about in the towns by this tax, ought also to be brought about over the whole kingdom. The Land Values Group claim that a national land values tax would effect a redistribution which would be fair as between different

districts. In order, then, to give full effect to the principles underlying the Minority recommendations, the Land Values Group propose that :—

- (1) The basis of assessment everywhere should be land value.
- (2) The cost of certain services locally administered but mainly national in character, such as Education, Poor Relief, Police, and Main Roads, should be defrayed in part by a levy on land values over the whole Kingdom, leaving the balance of that cost and also the cost of the strictly local services to be defrayed by local authorities out of levies on land values within their areas; and
- (3) The national fund raised towards the cost of these national services should be distributed among the local authorities which administer those services according to the needs of the districts.

The weakness of the Minority Report lay in not applying the principle of the rating of land values to rural as well as to urban districts. There is no reason why industry should not be treated on the same footing in the country as in the towns, and if it is desirable to take the burden of taxation off buildings and improvements in towns, it is equally desirable to take it off buildings and improvements in the country. The principle should be the same. As in towns so in the country, land value is the just and salutary standard for contribution to local expenditure.

#### THE SPEEDING UP OF VALUATION.

The Land and Taxation Reform Memorial asks that the Valuation should be expedited and that it should be made accessible to the public. The financial and social reforms are too urgent to brook delay, and as they are based on the Valuation, everything should be done to hurry on the work and to complete it in such form that it can be made use of both for the national tax on land values and for the local rating of land values. Further, the Group most strongly object to any attempted redistribution of local and Imperial taxation until the Valuation is ready for the purpose. They have been supported in their demands, as expressed in the Memorial, by resolutions passed at some of the most representative party meetings at which it is the custom year by year to declare Liberal policy to the country.

#### POLITICAL SUPPORT FOR THE DEMANDS OF THE GROUP.

At the Autumn meeting of the General Council of the Scottish Liberal Association, held in Dunoon on 7th October, 1911, it was decided that :—

This Conference views with grave concern the statement made by the Chancellor of the Exchequer that the valuation will not be completed until 1914, and protests against the long delay. This Conference, in view of the pledge of the Chancellor of the Exchequer to deal with the question of the relation of Imperial and local finance during the present Parliament, declares emphatically that this can only be satisfactorily carried out on the lines outlined in the report of the Select Committee of the House of Commons, 1909. It therefore urges the Scottish Liberal Members to take an early opportunity of impressing upon the Chancellor of the Exchequer the necessity of expediting the Budget valuation, and if this is impracticable on present lines, to consider other methods which will more speedily accomplish the end in view. This Conference further pledges itself to resist strenuously and uncompromisingly any attempt to deal with the problem of local and Imperial taxation which ignores the rating and taxation of land values.

At the meeting of the General Committee of the National Liberal Federation at Rugby on 10th May, it was unanimously resolved that :—

This General Committee of the National Liberal Federation cordially supports the memorial on Local and National Taxation, signed by 173 Liberal and Labour Members of Parliament, and presented to the Government on 18th May, 1911. The proposals embodied in the

Memorial are—That the valuation of all land, apart from improvements provided for in the Budget of 1909-10, should be accelerated; that the valuation, when complete, should be made accessible to the public; that local authorities should be empowered to levy rates on "land values" for local purposes; that a Budget Tax on all "land values" should be levied to provide a National Fund to be allocated toward the cost of such services as education, poor relief, main roads, and asylums and police, thereby reducing the local rates, and in substitution of the duties on tea, cocoa, and other articles of food.

The current Annual Report of the National Liberal Federation advocates both rating and taxation of land values.

At the Annual Council meeting of the Women's Liberal Federation in the Queen's Hall on 5th June, 1912, it was agreed that :—

This Council, realising that the rates as at present assessed bear heavily on tradespeople, small holders, market gardeners, and all who put their land to the best use, urges the Chancellor of the Exchequer, in place of the tea and sugar duties which press so heavily on the working classes, to levy a tax on the value of all land, whether in town or country, such as will compel its full use, and to reduce the rates for education, poor relief, main roads, police, and asylums, which as now assessed are a burden on industry.

Similar resolutions, bearing on the Land and Taxation Reform Memorial policy, have been adopted during the last two years by a large number of Liberal Associations and Leagues as well as by hundreds of public meetings convened in the name of the party.

#### NECESSARY AMENDMENTS OF THE VALUATION.

The facts of the case, however, are that the Valuation at the present rate of progress will not be completed till 1915, and when it is finished it will record the value of the land as it was in April, 1909. It will be out of date and unsuitable for the purposes contemplated. Moreover, it will present anomalies, whether "Full Site Value" or "Assessable Site Value" be considered the basis for future rates and taxes. For in the case of "Full Site Value" certain agricultural improvements are included and these would naturally be penalised by a tax imposed on the "Full site value" assessment. On the other hand the "Assessable Site Value" excludes a number of fixed charges (leading to the absurdity of site value of an apparently minus quantity) which are a part of the value of the land, and these could in no case be exempted from either the taxation or the rating of land values.

The Group are accordingly pressing for the expedition of the Valuation by every possible means, which it is thought could be effected by omitting the valuation of buildings, improvements, machinery, and timber, as such valuing is useless for the Budget taxes and will not be required for any other reform. At the same time the Group urge that the Valuation should be made up to date, and revised periodically, often enough to make it an accurate record of the amount of land value for the time being enjoyed or controlled by each of the persons interested in any piece of land. The Valuation should further be a record of the whole land value, including all special franchises and privileges. To this end there should be no deduction from the Valuation for fixed charges on the land; and the value of all improvements made within a given period should be excluded from the valuation, including those which increase the value of land for agricultural purposes.

The Group endeavoured, by an amendment to the Finance Bill of 1912, to secure the removal of anomalies in the Valuation and the publication of the Valuation when completed, by moving on 6th August, 1912, on the Committee stage of the Bill the insertion of the following two clauses :—

*New Clause.*—There shall be substituted for Section 25 of the Finance (1909-10) Act, 1910, the following:—

For the purposes of this part of this Act the site value of land means the amount which the fee simple of the land, if sold at the time in the open market by a willing seller, free from encumbrances and from any burden, charge or restriction (other than rates and taxes), and with the benefit of any licence for the manufacture or sale of intoxicating liquor and of any franchise or monopoly held or enjoyed in connection with the land, might be expected to realise if the land were divested of any buildings, fences, and other structures (including fixed or attached machinery) on, in, or under the surface, and of all growing timber, fruit trees, fruit bushes, cultivated crops, and all works executed by or on behalf of or solely in the interests of any person interested in the land for the purpose of improving the value of the land as building land, or for the purpose of any business, trade or industry.

Provided always that the land shall not be deemed to be divested of any works which have become merged in the land or were executed more than 30 years prior to 30th April, 1909.

*New Clause.*—There shall be added to Section 30 of the Finance (1909-10) Act, 1910, the following:—

(3) On the completion of the valuation of the land of each parish the Commissioners shall cause to be printed a schedule showing the situation, description, and site value of every plot of land in the parish under separate occupation, and shall furnish copies of such schedules to every local authority having jurisdiction over the parish or any part thereof.

Any owner or occupier of land in the county within which the parish is wholly or partly situated shall be entitled to purchase a copy of such schedule on payment.

These amendments were declared out of order. It appeared that their inclusion would have rendered the Finance Bill not a Money Bill, and therefore subject to rejection by the House of Lords. The opportunity will accordingly be taken next Session to urge that they should be made part of a Revenue Bill, and every effort will be made to have these amendments of the Finance (1909-10) Act, 1910, adopted, as well as the other necessary amendments of the Valuation.

#### THE LOCAL RATING ASPECT OF THE QUESTION.

The purely rating aspect of the question, as apart from national taxation, has had the continuous attention of the Group. On 6th March, 1912, Mr. Josiah C. Wedgwood put the views of the Group in the form of a resolution, seconded by Sir Wm. P. Byles, that—

In the opinion of this House, the present method of raising local revenues ought to be changed, inasmuch as it unduly favours some ratepayers and unduly penalises others, obstructs industry, causes unemployment, and prevents the healthy growth of our cities, towns, and villages; and this House further declares that Local Authorities should be given the power of raising local revenue in such a way that the existing obstacles to the employment of labour and capital are removed, and rates imposed instead on the value of the privilege enjoyed by those who benefit from the performance of public services, namely, upon land values.

A prolonged and interesting debate followed, but as it was "talked out," no vote was taken, and the House was deprived of an opportunity to show how members stand in regard to the reform. The position of the Government was stated by Sir Rufus Isaacs, the Attorney-General, who said that however much they might agree with Mr. Wedgwood in principle, they could not declare any opinion until they had the report of the Departmental Committee, who were making full inquiry into the whole subject.

It is difficult, however, to see how the Government would have been embarrassed by a demonstration in Parliament, on the part of Liberal and Labour Members, in favour of

principles they had time and again urged before their constituents.

#### MR. FRANCIS NEILSON'S RATING BILL.

On 24th April, 1912, Mr. Francis Neilson introduced the Land Values Rating Bill, the text of which will be found in Appendix III. of this paper. It has not yet been proceeded with beyond the First Reading. Its notable features are the adoption of "Full Site Value," as defined in Section 25 of the Finance (1909-10) Act, 1910, and any Amending Acts; and further the provision for the new rate or rates, levied in virtue of the Act, to be imposed on each person interested in the new rateable value in proportion to the amount of his interest therein. Opinions may differ as to the arrangements to be made for effecting the transition from the old system to the new. That transition should be made as easy as possible, but the Group maintain the principle that Parliament is entitled, when establishing a new basis for rates, to lay down that the appropriate persons shall pay the new rates on that basis, notwithstanding any contracts which have been made on the footing of the old law that will no longer be applicable.

#### LAND VALUATION IN SCOTLAND.

Mr. Dundas White, M.P., has made the progress of the Valuation in Scotland a subject for special treatment and has drafted a separate Bill which was introduced in the House of Commons on 13th December, 1911. The Bill is entitled the "Land Values (Scotland) Bill, 1912," and is based, subject to some variations in detail, on the Bill which in 1907 and 1908 passed through all its stages in the House of Commons. Mr. White has written an explanatory Memorandum, which, with the Bill, has been posted to all the local rating authorities in Scotland and numerous political, trades union, and other organisations who have been urged to pass resolutions in its favour. A large number of Local Authorities have approved of the Bill, including the Glasgow Corporation.

In his Memorandum Mr. White points out that the Valuation in Scotland could be completed in a very short time by making use of the well-nigh perfect Scottish machinery for rating, and adding to the existing columns in the Valuation rolls another column setting forth the land value of each property. The new valuations would run concurrently with those under the Finance Act; each would help the other, and both would be completed about the same time. The problem of valuation is more difficult in England because she has no modern measure as comprehensive as the Scottish Valuation Act of 1854. The fact of the new standard being accomplished in Scotland would strengthen the case for a similar reform in England, while the practical experience gained in setting up the system in the former country would facilitate the work in the latter. The case for Scotland rests on the needs of Scotland herself. The sweeping depopulation of her country districts, the unequalled overcrowding of her towns, the scandalous state of housing in both, the over-pressure in the labour market, and the conditions which darken the lives and prospects not only of the men and women, but also of the children in our midst, show the urgency of dealing with the most fundamental of economic questions—the question of enabling the people to make the best use of the natural resources of their country.

#### OTHER ACTIVITIES OF THE GROUP.

In this review of the activities of the Land Values Group Mr. O'Grady's (Labour Member for Leeds) resolution on 23rd March, 1909, and Mr. F. W. Verney's resolution on 27th April, 1910, should not be omitted. Mr. O'Grady moved that:—

In the opinion of this House the taxation of land values would result in the owners of land and minerals developing these national resources more rapidly, thereby increasing the supply of land and raw materials available for use,



and providing opportunities for labour and the wealth-producing powers of the country, and therefore the imposition of such a tax should be provided for without delay.

The resolution was intended to make the pace for the proposed tax on land values in the Budget of 1909. The resolution was seconded by Mr. Scott and was "talked out" of the House, without a division being taken.

Mr. Verney's resolution, which was seconded by Mr. Walsh, declared that:—

In the opinion of this House the present system of taxation, rating, and the tenure of land tends to restrict the best use of the land and the application to it of capital and labour, thereby hindering the production of wealth and causing unemployment.

Sir John Randles moved as an amendment after the word "land" ("rating and tenure of land") to insert the words, "when coupled with the free importation of competing foreign products not subject to similar burdens." The amendment was defeated by 179 to 136 votes, a majority of 43 for the Taxation of Land Values as against Protection. No division being taken on the main question, the resolution was carried *nem. con.*

Numerous occasions have arisen in the House when Members of the Group have pointed out the bearing of the land and taxation questions on subjects under discussion and have urged the need of developing the legislation foreshadowed by the Land Clauses of the 1909 Budget. We can recall the debates on 13th and 14th February on amendments to the Address which voiced complaints from the Opposition Benches against the Valuation, and dissatisfaction with the postponement of the re-distribution of local and Imperial burdens; the protests made by Members of the Group, during the debates on 27th, 28th and 29th February, 1911, on the Revenue Bill, against sundry alterations in the Budget Land Clauses giving concessions to the landed interests, when some fifty Members voted repeatedly against the Government; the discussions on Valuation during the Committee, Report and Third Reading stages of the Finance Bill (1911) on 11th, 12th and 13th December, 1911; the debates on 15th, 16th and 23rd February, 1912, on Industrial Unrest, Profit Sharing, Local and Imperial Taxation, and Peasant Proprietors and Land Purchase; the discussions on 15th and 27th March, and 3rd and 12th April on the Unionist Housing Bill, the Small Holdings Act, the Housing and Town Planning Act, Cottage Homes for Aged Persons, and the Municipal Acquisition of Land Bill; the debates on Valuation on 29th April, 20th June and 5th August, 1912; and the debates on 25th April, 8th May and 16th October, 1912, on Welsh Disestablishment and the Land Question, Industrial Unrest, and the Rating of Personal Property.

#### PRINCIPLES REAFFIRMED.

With the advent of Mr. Lloyd George's informal Land Inquiry Committee, the public discussion of the land question has received further impetus, and the Conservative Press has concentrated much of its attention on the activities and aims of the Land Values Group in Parliament. In view of many extravagant statements, and the attempts of critics to commit the Group to a policy it had never advocated, it was deemed advisable publicly to reaffirm the Group's proposals, and a special meeting for the purpose was held on 12th July, 1912.

The Chairman (Mr. Charles E. Price) said he had called members together in order that there might be no misapprehension as to the specific objects for which they were working. A resolution would be submitted reaffirming their principles. Some members of the Group supported a more extended programme, but that was no concern of theirs. He had profound faith that whenever these proposals could take legislative form, and were embodied into

Acts of Parliament, they would revolutionise the condition of the Commonwealth as a whole.

Sir Alfred Mond then proposed the following resolution:—

This meeting reaffirms its request to the Government to continue and develop the policy inaugurated by the Budget of 1909-10 by (1) making land values available for public needs; (2) freeing industry from monopoly and undue burdens of taxation; (3) completing the policy of Free Trade by (a) securing greater opportunities to produce in our own country by affording greater opportunities to use the land; and (b) abolishing the duties that remain on the food of the people.

We further ask that this policy may be carried into effect by (1) hastening the completion of the valuation of all land apart from improvements provided for in the Budget of 1909-10; (2) making that valuation accessible to the public; (3) empowering Local Authorities to levy rates on the basis of that valuation; (4) levying a Budget tax on all land values to be applied (a) in providing a National Fund to be allocated towards the cost of such services as education, poor relief, main roads, asylums, and police, thereby reducing the local rates; and (b) in substitution of the duties on tea, sugar, cocoa and other articles of food.

Sir Alfred Mond said that to remove the burden of rates from the factory, the farm, and the cottage, and to place it on the unimproved value of land, must inevitably relieve those who improve the value of land, and could not unfairly burden any human being. The effect of a rational rating system would produce a stimulus to the trade of the country in all directions which would surprise even the best friends of the movement and confound their opponents.

Sir Albert Spicer seconded the resolution, and said he had never declared himself an advocate of a "Single Tax" because he saw the great difficulty of applying such a proposal equitably in an old country like Great Britain but he believed a portion of the value given to land by the presence, the industry, and the expenditure of the people could fairly and equitably be recovered for the people.

Mr. Wedgwood supported the resolution, and said the policy of the Memorial was good enough for him, and it was this policy which he had supported in the country.

Sir J. McCallum believed their cause was a righteous one, and that it was now within measurable distance of victory.

Mr. R. L. Outhwaite said the Hanley election was fought entirely, so far as he and his friends were concerned, upon the proposals embodied in the Memorial.

The resolution was then submitted to the meeting and carried unanimously.

#### THE SOCIAL AND ECONOMIC EFFECTS OF THE REFORM

It should be emphasised in conclusion that the policy of the taxation and rating of land values embodied in the Memorial is not merely a financial reform, but is advocated for the purpose of dealing with urgent social and economic problems that admit of no other solution. The effects of the policy may be summarised as follows:—

(1) To take the burden of rates off dwelling houses, factories, mills, workshops, plant and machinery, mining works, shops, warehouses, offices, and all industrial and business premises and all farm buildings, drainage, fencing and other agricultural improvements;

(2) To break down the barriers which land monopoly now opposes to municipal, industrial and agricultural development and enterprise, and thus to cause the land everywhere to be used in ways more advantageous to the workers;

(3) To make it possible for more, better and cheaper dwellings to be provided in towns and villages, to make small holdings and allotments obtainable on fair terms, and generally relieve industry of all kinds—agricultural, mining, forestry, building, manufacturing, engineering, public works, transport, distribution—from burdens and restrictions, and extend the field for the remunerative employment of labour and capital in town, suburb and country;

(4) To secure for the agricultural industry a genuine measure of relief ;

(5) To make national services a national burden, and thus give effective relief to rural districts from the excessive burden of rates which now falls on them in providing for what are largely national requirements ;

(6) To cheapen the cost of living for the mass of the people, and take away the only plausible argument for tariff-mongering and the pretence that protective taxes can be imposed which will not increase the cost of living.

#### APPENDIX III.

#### LOCAL AUTHORITIES RATING BILL.

[Bill 173.]

INTRODUCED INTO THE HOUSE OF COMMONS BY MR. FRANCIS NEILSON, M.P., ON 24TH APRIL, 1912.

[Backed by Sir Henry Dalziel, Sir Alfred Mond, Mr. Chancellor, Mr. Morrell, Mr. Charles Price, Mr. Raffan, Mr. James Parker, Mr. Stephen Walsh, Mr. Wedgwood and Mr. George Barnes.]

#### MEMORANDUM.

The object of this Bill is to enable Rating Authorities to adopt Site Value as defined by the Finance (1909-10) Act, 1910, as the standard of rating, and thus to relieve ratepayers from paying rates in respect of buildings, fixed plant, and improvements.

For this purpose the valuation directed by the Budget should be made up to date and periodically revised so as to provide a record of the land value of each hereditament for the time being and of the persons interested therein and of the proportions in which they are so interested.

In adopting Land Value as the standard of rating the Bill follows the recommendation of the Select Committee on the Land Values Taxation [Scotland] Bill, 1906.

#### A BILL

TO ENABLE LOCAL AUTHORITIES TO RELIEVE RATEPAYERS FROM PAYING RATES IN RESPECT OF BUILDINGS AND FIXED PLANT AND IMPROVEMENTS, AND TO ADOPT LAND VALUE AS THE STANDARD OF RATING.

BE IT ENACTED by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows :—

LOCAL AUTHORITY MAY LEVY RATES ON NEW RATEABLE VALUE.

1. A Local Authority may by resolution determine that the whole or any part of the existing or future rates which are or may be levied by such Local Authority shall be levied and charged in respect of the New Rateable Value as hereinafter defined in lieu of any other rateable value.

BY WHOM AND IN WHAT PROPORTION THE RATE TO BE PAID.

2. The rate or rates levied in respect of any hereditaments under the provisions of this Act shall be payable by each person interested in the New Rateable Value of such hereditaments in proportion to the amount of his interest therein.

VALUATIONS TO BE SUPPLIED TO LOCAL AUTHORITIES.

3. The Board of Inland Revenue shall supply free of charge to every Local Authority full copies of all valuations made under the provisions of the Finance (1909-10) Act, 1910, and any Amending Act or Acts relating to land or premises within the area of such Local Authority.

#### DEFINITIONS.

4. For the purposes of this Act :—

"New Rateable Value" means the Full Site Value as defined in Section 25 of the Finance [1909-10] Act, 1910, and any Amending Acts.

"Local Authority" means County Council, Borough Council, Town Council, and every other Local Authority which has or may hereinafter have the power to levy a rate."

#### SHORT TITLE.

5. This Act may be cited as the Local Authorities [Rating] Act, 1911.

## BOOK REVIEW

### SINGLE TAX REVIEW NOVEMBER— DECEMBER, 1913

(New York Special Number)

This number of the SINGLE TAX REVIEW, containing 96 pages of much interesting reading matter, is devoted largely to the history and present position of the Taxation of Land Values propaganda in New York. The editor pays a just tribute to the generosity of Mr. William Lustgarten of New York, who has made it possible to add 32 pages to this special number and to include a splendid portrait gallery of Single Tax notables.

Many of the articles are historical and should be of particular interest to newcomers—for instance, the story of Henry George's New York campaigns in 1886 and 1897, and of his campaign in 1887 for Secretary of State. The death and funeral of Henry George are also given considerable space. The information in these and other articles is familiar to most students of the literature of the movement, and although it of course bears repetition, it appears to have crowded out the particulars of assessment in New York, which contain so many valuable lessons to those who are endeavouring to solve intricate assessment problems on this side of the Atlantic. While we acknowledge the value of the information given in the extract from the Mayor of Philadelphia's pamphlet on REAL ESTATE AND ITS TAXATION IN NEW YORK, PHILADELPHIA AND ELSEWHERE, we miss many facts which could well have been extracted from the New York Commissioners' Annual Report and from his Report to the British Government published in the British Blue Book, Cd. 4750. Apart from this, the "New York Special Number" would have been more complete if it had stated the most recent results of assessment in New York—the total value of land, the value of vacant land, the proportion of land value to improvement value, the value per head, the cost of assessment, who pays the taxes, &c.—and indicating what amendments are proposed or desired in the existing law.

A. W. M.

## BIRKENHEAD LEAGUE

7, Asquith Avenue, Birkenhead.

Will members and friends of the movement in this district please note that our Political Economy Class is new in full swing again, after the interruption of the Christmas holidays? Mr. Ed. McHugh conducts the class as formerly. We will warmly welcome any strangers who care to come along on Wednesday evenings to the North End Liberal Club, Duke Street. It is important to note that there are no fees. Negotiations are taking place with the object of commencing another group of students in the Tranmere district, which we hope will go through.

JAS. M. BAKER, Hon. Secretary.

The wild beasts of Italy have their caves to retire to, but the brave men, who spill their blood in her cause, have nothing left but air and light. Without houses, without any settled habitation, they wander from place to place with their wives and children.—TIBERIUS GRAECHUS, quoted in Plutarch's *Life*.

A FAMOUS POPE ON THE LAND QUESTION.—That the earth is the common property of all men. . . . Those who make private property of the gift of God pretend in vain to be innocent. For in thus retaining the substance of the poor they are the murderers of those who die every day for the want of it.—POPE GREGORY THE GREAT.