

LAND & LIBERTY

Published by THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES.

Thirty-first Year. Established June, 1894.

3d. Monthly. By Post 4s. per annum.

United States and Canada, 1 Dollar.

Editorial Offices:

11, TOTHILL STREET, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Parl., London." Telephone: Victoria 7525.

The Postage on this issue is One Half-penny.

FROM BAD TO WORSE

The Urban Report, TOWNS AND THE LAND, just published by the Lloyd George Land Enquiry Committee, contains a passage dealing with the taxation of land values. The statement is welcome, showing that however the question of practical application may be handled—and it certainly has been handled badly by this Land Enquiry Committee—the principle itself dare not be challenged at this time of day.

The reports of progress abroad, the examples of high-priced land and other land values items, are, many of them, familiar to us. Pages of matter easily recognized by phrase and turn of phrase and even by an occasional slip, in which we can surely claim a "proprietary right," have already appeared in our columns. For the information there is no acknowledgment. In this we make no complaint, since our service is always at the command of others. It is certainly encouraging and entertaining to see our writings in print again, adding lustre to what appears to be the imposing results of a prolonged, laborious and independent research. The thing to regret is that the data, the arguments and the reports so liberally borrowed are found in company with the counterfeit proposals that the Land Enquiry Committee think to substitute for the plain and straightforward taxation of land values.

It is an amazing document. On the one hand there is the passage making it clear that the principles of land value taxation apply universally and in practice would benefit the user of every kind of land. On the other hand, when it comes to the question of policy, the truth is subverted for designs that can only be charitably described as evidence of a fatal capacity for confused thought.

Since Mr. Lloyd George opened this new land campaign with his speech at Killerton on 17th September, our many advocates on the platform and in the Press have taken a very useful part in the discussion. The Land Enquiry Committee could not ignore the damaging criticism of its proposals and intentions, and has only succeeded in bringing the main issue more into the open by circulating a manifesto (published also in the DAILY CHRONICLE of 11th November) protesting that everyone of its members "is a convinced supporter of the principle of the Taxation of Land Values." This assertion is the preface to a "reply to the United Committee" which in its leaflets and in LAND & LIBERTY has revealed the reactionary nature of the land policy now being championed

by Mr. Lloyd George. The United Committee has analysed the proposals; has pointed out their omissions, their defects, their contradictions and their futility; and has condemned them as a deliberate attempt to jettison from the Liberal platform the demand for the Taxation and Rating of Land Values *in town and country alike*, in substitution for burdens now levied on industry and improvements.

The Land Enquiry Committee's "Rural Report" frankly states that the owner should in every case receive the "real value" of the land and that "building value" is one of the real values for which he is entitled to compensation; and in the leaflet since issued by the Land Enquiry Committee it is stated that the only alternative is "to propose confiscation." The scheme is one for land purchase with public money, perpetual annuities to landowners, and State tenants to occupy land at rents fixed for a lifetime and longer.

The "Urban Report" of the Land Enquiry Committee makes certain proposals for what is called "site taxation" in which a fantastic distinction is drawn between "land as soil" and "land as site." The Committee obstinately refuses to treat land as land. The object is to exempt from taxation all land which in the words of the Committee would be held as cultivable under its cultivating tenure policy. As a consequence, the "building value" of all agricultural land so held, even if situated within urban areas, would still remain out of reach of the assessor. The real value of the land would be marked down not for present taxation but for future purchase and private gain. There is therefore no meaning, but only misdirection, in the numerous cases quoted in the Report itself of the high prices charged for agricultural land when it is wanted for building.

Mr. Lloyd George, speaking at Manchester on 24th October on urban problems, made use of those flagrant cases of unjust rating to point the moral that we should "proceed to rate upon a basis of real value and not of a nominal value, which bears no proportion at all to the real assessment which ought to be imposed." That was a reasonable statement as it stood; but its application was evidently confined to the towns, and in conjunction with the rural policy of the Land Enquiry Committee it led to the ridiculous proposition that for the "building value" of land outside towns landowners were to receive compensation, whereas the "building value" of agricultural land within urban boundaries was to be taxed. Our Press Bureau quickly and effectively exposed the blunder, and when the "Urban Report" was published it was apparent to the MANCHESTER GUARDIAN as to others that account had been taken of some of the criticisms the speech provoked.

The Land Enquiry Committee has since tried to achieve some show of consistency in its two Reports; but the result has been to make the urban proposals as reactionary as the rural so far as the "building value" of agricultural land is concerned. There remains the scheme called "site taxation" deserving no remark but that it is a play upon words, a trifling with the subject and a travesty of the principle and policy

of taxing land values. No one could draw the intended arbitrary line which is still an essential feature of the scheme and would place land of the same real value on either side of a fence, to be assessed for taxation in the one case and bought out in the other. No valuation of land is possible that is based on the fanciful conceptions of "land as soil" and "land as site" or that is to be used in connection with such discriminating projects. And the Land Enquiry Committee does not propose that it should be attempted until the State has resumed the control of all land suitable for agriculture—and given compensation to the landlords.

The "Urban Report" follows the proposals of the "Rural Report" by giving first place to public land purchase and on a grand scale. The municipalities would be empowered to enter the market and in collusion with the "County Land Offices," or by speculative purchase of land within urban boundaries, spend public money taken from the ratepayers only to make land dear. And most preposterous of all these suggestions for land purchase is the view that slum clearances could be carried out "at little or no cost to the authority" by issuing negotiable bonds in payment of the site and redeeming the bonds when the replanned area was allocated. If this plan could work, why confine it to slum clearances? If land transactions can be carried out so ingeniously "at little or no capital cost" why not buy up all the land of the country in the same way? Every municipality might indulge in this form of finance by a process equivalent to the issue and subsequent withdrawal of paper money and certain to have the same economic effects, seen in the disastrous results of inflation and deflation of "the currency" from which Europe has suffered in recent years.

The Land Enquiry Committee contends that its policy is to bring into cultivation cultivable land that is now being misused. But how? The privilege of holding vast areas of land that are now rated and taxed at purely nominal figures would not be touched—the privilege would be paid for at the public expense and the cost would have to be borne by added taxation on industry already staggering under its load. The buying of land with public money, because the land is badly farmed or for other reasons, would mean in many cases compensation at forty or fifty years' purchase of the present rateable value; and as to sporting land often assessed to-day at 1s. per acre, an "annuity based on the net value for the best use" (as the Land Enquiry Committee proposes) would mean giving the landowner *every year* a sum equal to 20 or 30 times the present annual value at which the land is assessed for local taxation. Where is all the money to come from except by raiding the pockets of the ratepayers? And who but the taxpayer will find the money that would be given to those owner occupiers who have purchased their farms since April, 1917, at famine prices? How much that transaction would cost the Committee has not ventured to say.

The plan of the Land Enquiry Committee of compensation for the present values of cultivable land is the same thing as assuring to landowners the

continued receipt of economic rent. It cuts across the declared Liberal policy of levying a uniform national tax and local rates on the market value of *all* land, correspondingly reducing the tax-burden on industry. In the opinion of the Land Enquiry Committee, this is "to propose confiscation" of landlord property. *How then can the Committee resist the charge that it is out to jettison from the Liberal platform the Taxation of Land Values as applied to country and town alike?*

The "confiscation" argument can be answered briefly enough. A large part of the wealth produced from day to day is taken *without return* by landowners as rent for land, while the community, the real owner of economic rent, is deprived of its natural revenue. Existing taxation acts as a penalty on the worker, the cultivator, the builder, the manufacturer and the trader. Taxation of Land Values would take taxes off buildings and improvements, would overthrow the land monopoly that stands in the way of all progress *and would stop the confiscation that is now going on.* It would promote the best use of land everywhere, aid in the solution of the housing problem, and help agriculture and all industries along the road to prosperity. A. W. M.

WHAT HE SAW IN THE ARGUMENT

Mr. H. G. Chancellor and Mr. J. Douglas Young, prospective Liberal candidate for Southend, were the speakers at a Liberal Club meeting in the Borough on Friday, 6th November. Mr. Chancellor dealt exhaustively with the case for Taxing and Rating Land Values.

Mr. Young said he was so enthused by the speaker's able and comprehensive exposition of the subject that he preferred to curtail his own speech to a few remarks, and suggested that the company be allowed to put questions to Mr. Chancellor instead. He (Mr. Young) asked whether it did not make them think the Liberals must be perfectly insane not to have seen that matter put right before. He certainly wondered why he had not made it a more prominent plank in his platform than he had done. He saw in that argument one that should appeal to the enlightened electors of the Borough. He was extraordinarily keen on the housing question, and it had never occurred to him that the points that were placed before them might be applied to that scheme. That argument, with the combination of his own views, ought to make a cast iron scheme which nobody could pick holes in. He thought they ought to pay more attention to that question.

Thereafter Mr. Chancellor answered questions put by Mr. Young and others in attendance.

Mr. J. A. Cook, Secretary of the Miners' Federation, told a meeting at Pontillanfraith, 15th November, that the coal owners had made £314,000,000 in the last eleven years.

THE GAME OF LIFE. A Collection of Economic Fables. By Bolton Hall. Reduced price, 2s.

THE NEW POLITICAL ECONOMY. Address by John B. Sharpe. Third Impression. 1d.

PRIVATE PROPERTY IN LAND. Address by E. Melland. 1d.

A GREAT INIQUITY. By Leo Tolstoy. 6d. post free.

THE PIONEERS OF LAND REFORM. Thomas Spence, William Ogilvie and Thomas Paine. Cloth, 2s.

FIELDS, FACTORIES AND WORKSHOPS. By P. Kropotkin. New Edition. Cloth, 2s.

From our Offices.