

Land Value Taxation in Great Britain

Parliamentary Survey Covering
Years 1906 to 1951

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The outstanding events in the Parliamentary history of the Land Value Taxation movement in Great Britain were the Land Values (Scotland) Bill of 1908, the Finance (1909-10) Act of 1910, and Finance Act of 1931. What happened to these measures, their related incidents and subsequent developments provide an informing story.

As a preliminary the following picture is presented of the Governments that were in power during the period of this survey.

How the Country has been Governed

- 1906-1918 Liberal Government, which was confirmed in power at the General Elections in January and in December, 1910. During the 1914/18 war, a Coalition with Opposition parties was formed.
- 1918-1922 Coalition Government, with Liberal Prime Minister, but with Conservatives the dominating party.
- 1922-1923 Conservative Government.
- 1923-1924 Minority Labour Government, dependent upon Liberal support.
- 1924-1929 Conservative Government.
- 1929-1931 Minority Labour Government, dependent upon Liberal support.
- 1931-1934 "National" Government, so-called, but with Conservatives vastly predominating.

- 1935-1945 Conservative Government, nominally "National," which during the 1939-45 war formed a Coalition with Opposition parties.
- 1945-1950 Labour Government, over-all majority, 146.
- 1950-1951 Labour Government, over-all majority, 5.

Attitudes of the Political Parties

The Conservatives have ruled the State for the greater part of the period. As determined upholders of landed privilege they have used their influence not only to crush any move in the direction of land value taxation but also to create new vested interests that powerfully stand in its way. The Liberal and Labour Parties, by their official declarations, have repeatedly been pledged in favour of levying taxation on the value of land apart from improvements either for national or for local purposes. These pledges, however, were never very precise and were limited to only some partial application of the principle. It was good, however, that the principle in itself was observed. It was sufficient to the protagonists of the cause that these parties had been educated to that extent and were prepared to take action; but vital would be a beginning made on right lines, accompanied by a real determination to pursue it.

British System of Taxation

As further preliminary to this story, the incidence of taxation, as far as it bears upon landed property, should be mentioned. Property owners are subject to Income Tax, under its "Schedule A," which is an assessment of the annual value of land and buildings taken together. Landed properties are also liable for the stiffly graduated death duties assessed upon the composite value. As for local taxation, the local authorities—boroughs, counties and county districts—derive their sole tax-revenue from rates levied on the annual value of land and buildings taken together; the rest of the revenue of the local authorities, and it is a considerable part, is obtained from subventions from the National Exchequer, whereby they live upon the general taxation direct and indirect which Parliament imposes. The point to bear in mind is the incidence of the income tax and the local rates. It falls only upon land as it is used and is therefore a burden upon every improvement. If the premises are vacant or unoccupied, whatever the actual value of the land may be, there is no tax. As for the local rating system, all agricultural land, however valuable and whether it is used

or not, is completely exempt, and special properties of an "industrial" nature are relieved of three-quarters of the rates. It is only the death duties (since they are levied on selling value) which in any way rope in the value of land, whether it is used or not; nevertheless, the incidence is that the better any land is improved the higher is the tax that falls. It will be obvious that a system of that kind, especially with regard to income tax and local rates, penalises all development and virtually protects and endows the speculative withholding of land against such better use as could be made of it. It will be obvious also how great is the revolution contained in the proposition not to tax or rate buildings or improvements, not to lay burdens on industry or commerce, but to derive public revenues from rates and taxes levied on the value of the land alone, and accordingly devote the economic rent of land to the uses of the community.

Municipal Agitation

The movement for the Taxation of Land Values came into practical politics through the agitation among municipalities which made representations to Parliament that the rating law must be changed. The lead given by the Glasgow City Council had, by 1906, gained the support of no fewer than 518 local authorities.

Scottish Legislation

When the Liberals came into power in 1906, the Land Values Taxation (Scotland) Bill—or the "Glasgow" Bill as it was known—was presented. It was approved by an overwhelming majority at Second Reading. The Select Committee to which it was referred recommended not only that it should be preceded by a land valuation of the whole of Scotland, but also that when land value rating did take effect, the whole burden of the rates should be transferred upon land values. It was in every respect a historic report. The Government duly produced the "The Land Values (Scotland) Bill" providing for the land valuation. It was carried in the House of Commons in August, 1907. It was sent to the House of Lords and there rejected. In 1908 it was again passed by the House of Commons, and returned to the House of Lords, but was there so mutilated that the Government decided to abandon the measure.

The Lloyd George Budget, 1909—Contest and Conflict

This sharp struggle proved that other steps would have to be taken, it being useless in the circumstances to proceed

with the Bill that had been intended for reforming local taxation in England and Wales. The obstruction of the House of Lords had to be overcome, and the way was to promote Land Value Taxation through a Finance Bill which (dealing with national revenues) it was thought the House of Lords dared not touch. The outcome was Lloyd George's Budget of 1909, sometimes called "The People's Budget." In its challenge to the landed interest and to the House of Lords, it rocked the country. Meetings everywhere were roused with "The Land Song," which in fact originated within the Henry George movement. The fight centred round the fact of a valuation being made, which would show the real value of land and eventually become the master-key to land reform. The Budget, however, had many imperfections. Unfortunately, it was linked with certain so-called "land value duties" which, although they made a land valuation necessary, were in no sense the Taxation of Land Values. They were duties on undeveloped land, on increments in land values and on leasehold reversions. On undeveloped land (defined with many qualifications) the tax was a half-penny in the pound; it did not touch any other land used or unused. The increment duty was to take 20 per cent. of increases in land value proved to have arisen on sales or transfers of land occurring after April, 1909, which was the datum line. The reversion duty was to take 10 per cent. of the value of reversions at the termination of leases. The advocates of Land Value Taxation objected strongly to those selective and discriminatory imposts—increment taxation being especially an anathema—but they were accepted for the sake of securing what was essential, namely, the valuation. And it was the land valuation that aroused the fears and passions of the landed interests. The House of Lords went the length of rejecting the Bill and controversy moved on to a higher pitch. The Government called a General Election on the issue. It was returned and thereupon the House of Lords gave consent to the measure. The Finance (1909-10) Act, 1910, became law. Twelve months after, the Government called a General Election to settle the question of the House of Lords' veto. Under threat of the creation of enough Peers to swamp the House, the Parliament Act of 1911 went through. It wrote into the Constitution that the Lords could never again interfere with "Money Bills" sent up from the House of Commons. Moreover, a two-year limit was put on their power to hold up any other legislation (this time-limit has since been reduced to one year by Act of the Labour Government in 1949).

The land valuation ordered by the Finance (1909-10) Act, 1910, proceeded, but it was such a cumbersome thing, absurdly loaded as it was by requiring the ascertainment of no fewer than five values in land, that it took five years for the valuers to do their work and even so without finally completing it. The Act required among other things the ascertainment of the "full site value" of land and if that had been correctly defined it would have provided the basis for the eventual levy of a true tax on land values. A Revenue Bill was introduced in 1914 to put that definition right, but the war came and then, of course, all reform legislation was stalled. So nearly was the goal reached.

Repeal of the Finance (1909-10) Act, 1910

During the war, on differences connected with its conduct, the Liberal Party was split in two. There followed the General Election in 1918. Lloyd George, the "war winner" and master of the situation withheld his "coupon" from Liberals who had criticised him, and the Radical wing of the Party was driven into the wilderness. He then headed the utterly reactionary Coalition Government, which was wholly dominated by the Conservatives and the latter in 1922 succeeded in compelling the repeal of the land clauses of the Finance (1909-10) Act, 1910. With Lloyd George looking on, it happened that the House of Lords enjoyed vicarious and sweet revenge for the whipping they had in 1910. The revenue collected by means of the "land value duties" was refunded to the landowners concerned.

Conservatives Defeated—Free Trade Vindicated

In the same year, 1922, Lloyd George's Conservative allies ousted him as Prime Minister. They called a General Election. The Conservatives were returned to power. Soon they made the grave unemployment the excuse for seeking a mandate for full-blown protectionism. In 1923 they appealed to the country on that issue and they were soundly defeated. Free Trade was warmly defended by both Liberal and Labour Parties and was vindicated.

First Labour Government—Then Political Calamity

The result of the election was to give Labour 191 members, Liberals 158, both together having a majority of 83 in the House, and a Labour Government took office. Both parties had reaffirmed in their programmes the determination to institute land value taxation for national or local purposes or both. Philip Snowden, Chancellor of the Exchequer,

staunch free trader, did very much to sweep away the then existing protective tariffs. He had promised that his 1924 Budget would provide for a far-reaching measure of land value taxation. But before then, a wretched crisis developed concerned with certain Communist publications which seemed to implicate the Labour Party. Prime Minister Ramsay MacDonald took offence at the idea of an enquiry being instituted and determined upon a General Election. Thus the two parties that together could have achieved so much were sent skipping. It was one of the greatest calamities in British democratic history.

Churchill's Most Evil Gift to the Nation

The General Election of 1924 was conducted in a state of alarm because of the notorious Zinovieff letter which appeared further to implicate the Labour Party. Afterwards it was proved a forgery. The Conservatives were returned with an overall majority of 200—Stanley Baldwin, Prime Minister; Winston Churchill, Chancellor of the Exchequer; Neville Chamberlain, Minister of Health. These men, and Churchill can be held mainly responsible, gave the nation its most evil gift in the so-called "de-rating" legislation, totally exempting agricultural land from local rates (even expunging it from the valuation rolls) and relieving factories and other industrial properties from three-quarters of the rates. The revenue thus lost to the local authorities was in part made good by subventions from the National Exchequer, derived from new and indirect taxation, mainly petrol tax. It was largesse on a huge scale to the landed interest, since the economic effect of exempting land from taxation is obviously to raise the rents and prices of land or prevent a fall that might otherwise take place. The "de-rating" was achieved in three Acts, namely, the Rating and Valuation (Apportionment) Act, 1928, the Local Government Act of 1929, and the Agricultural Rates Act of 1929. It was lamentable that Winston Churchill could find himself the sponsor of such pernicious legislation, glibly defending it by the use of protectionist arguments he had once so effectively exposed. Those who treasure his earlier speeches on Land Value Taxation and Free Trade should now treat the book of them as a sadly tattered museum piece.

The Snowden Budget of 1931

The Conservatives were overthrown in June, 1929, and the Labour Party entered on its second lease of office, having a majority of only 20 over the Conservatives and insecurely

poised on the doubtful favours of the Liberals, 59 in number, a camp which was divided in itself. Philip Snowden was once more Chancellor of the Exchequer. The Budget of 1930 disappointed expectation by containing no provision for land value taxation although Snowden intimated that it was the intention of the Government to deal with the question. He made good in the Budget of 1931 which provided for a tax of one penny in the pound on the capital value of land, apart from improvements. The measure as introduced had some blemishes, notably the exclusion of minerals and the provision that agricultural land should be taxed only on any excess of value over its value for cultivation purposes. There is little doubt that these faults were not of Snowden's seeking but were forced upon him by some of his colleagues in the Cabinet and by foreknowledge of the political obstacles that a minority Government would have to face on the floor of the House. The Parliamentary difficulties were soon made manifest. The measure suffered during its passage by an amendment, enforced by a section of the Liberals, which confusedly aimed to adjust the incidence of the land value tax to that of Schedule A of the Income Tax, on the ground that otherwise landed property would be subject to "double taxation." But with the fallacy and the complexities of that landlord dodge—it nearly wrecked the measure—we need not trouble our readers.

The important thing is that the measure did provide for a valuation of land and for some degree of land value taxation. In point of simplicity of purpose and skill in drafting it marked an enormous advance over the Lloyd George legislation of 1909-10, and it was framed in such a way that it could under favourable circumstances have easily been amended so as to bring it still more closely into conformity with sound economic principle.

Fall of the Second Labour Government

The Snowden Budget took effect as the Finance Act, 1931; it was passed on July 31 but in the subsequent violent political changes it was not fated to survive. Like a bolt from the blue came the Report of the Committee on National Expenditure revealing that huge Budget deficits had accumulated. A financial crisis broke, the causes of which are still matters of high dispute. Drastic economy was demanded. The Cabinet agreed in the main, but refused to consider any "cut" in the unemployment relief. The Conservatives and the Liberals, who together had a majority in the House,

insisted; and on that rock the Government fell. Ramsay MacDonald the Prime Minister, with Philip Snowden the Chancellor and two other Cabinet Ministers, abandoned the Labour camp on August 27 and joined the Conservatives to form a "National" Government. In the storms and stresses a panic-stricken situation developed. Foremost in the drive for retrenchment was Philip Snowden, but in what afterwards occurred, what was done in the name of financial stability and restoration of confidence, that great Free Trader and protagonist of land value taxation had bitter pills to swallow.

*Treacherous Acts of the "National" Government
Free Trade Uprooted*

The new Government met in Parliament on September 8. Its first action was to slash expenditure and impose increased taxation, but yet without meeting the deficit. On October 27 it went to the country for a mandate to pursue and complete the ostensible purpose of ensuring a balanced budget. The campaign was conducted with little scruple, working and playing upon the public fear of some irretrievable disaster. In the result the Coalition "National" Government was returned, its representation in the House being made of 471 Conservatives, 68 Liberals (divided among themselves in the matter of Free Trade) and 13 of the Labour Party. In Opposition were 52 Labour Members and 4 Liberals and there was a sprinkling of Independents. The Conservatives were now in command and they took supreme advantage of that, additionally served as they were by Ramsay MacDonald continuing to occupy the post of Prime Minister. In the appeal to the electorate, popular support had been cajoled by repeated pledges that there would be no partisan manœuvring ("I am not their man," said Ramsay MacDonald) nor any resort to tariffs without preliminary consultations. But in breach of faith, without wasting a moment and under autocratic decrees, swingeing tariffs were imposed to restrict imports, followed by the General Tariff and the Ottawa Imperial Preference Agreements of 1932. In protest, the Liberals in the Cabinet who were Free Traders resigned as did Philip (by that time Lord) Snowden, whose burning words of remonstrance and castigation for the betrayals that had been committed still ring in the memory.

Repeal of the Snowden Land Value Tax Act

As for the land-value legislation the pledge against any "partisan manœuvring" was also flagrantly abjured. Imme-

diately after the Election Mr. Neville Chamberlain, now Chancellor of the Exchequer, the Conservative and bitter opponent of Land Value Taxation, announced the decision to suspend the land valuation and to disperse the staff engaged upon it. That was acted upon at once but was not legalised till seven months later when the Finance Act of 1932 was passed. The date was left open when the land value tax might take effect but the Conservatives kept insisting that the legislation should be definitely repealed, and by the Finance Act of 1934 it was swept off the Statute Book. And here was a pledge that did find fulfilment, the pledge of Stanley Baldwin, who in June, 1931, when the Snowden proposal was before the country had declared: "I can say one thing about it, that if we get back to power, that tax will never see daylight."

Ramsay MacDonald's Admission

Resolutions of protest poured in upon the Government from all parts of the country, among the most influential being those from the municipalities favourable to land-value rating who saw what the abandonment of the valuation meant to them. One incident in that agitation is worthy of special note. The manifestos of the United Committee for the Taxation of Land Values, impeaching the Government which had "obeyed the behests of those who benefit from that monopoly which does the greatest hurt of all to society" stung Prime Minister Ramsay MacDonald to attention. In a letter to the Committee making lame excuses for the Government's action he let it slip that "it may be argued that the step which has been taken indicates the power of certain interests." It was an extraordinarily humiliating admission to come from the head of the State. The Committee made reply that the excuses were invalid, that the real motives were obvious and that no one could know better than he, the Prime Minister, what influences had been brought to bear. The correspondence had immense publicity in the Press. The truth had been revealed, and the truth was least palatable to the Prime Minister's Tory masters in whose eyes he had committed a blazing indiscretion.

Election Rushed to Confirm Conservative Rule

The Government eluded condemnation of its domestic policies which were all ordained to endow and entrench special privilege. Advantage was taken of the international crisis to rush a General Election in 1935—a year before it

was normally due. The situation was so well exploited that domestic policies were largely pushed in the background. The cry was the country's security in danger, and adopting that (all too familiar) strategy the Government, predominantly Conservative as before, rode back to power. There it remained to control the destinies of the country for the next ten years.

Revival of Municipal Campaign

The repeal of the land clauses in the 1931 Finance Act and the consequent stoppage of the land valuation caused many municipalities to reiterate their demand for legislation enabling them to levy rates upon land values. The Cardiff City Council and the London County Council were leaders in this agitation. Cardiff called a representative Conference of local authorities in Wales and Monmouthshire which was held in September, 1935. The resolution declaring in favour of land value rating was endorsed and the City Council sent it to all the local authorities in England and Wales inviting their support, which was given by 148 of them—counties, cities, towns and district councils. Other councils, including Stoke-on-Trent, Manchester, Edmonton and Tottenham, followed Cardiff's example by calling municipal conferences or circulating their resolutions to gain co-operation. But most notable was the lead given by the London County Council, of which special mention will be made. Taken all in all, between the years 1935 and 1947, no fewer than 263 local authorities had joined in demanding the necessary legislation to institute the rating of land values.

The Leagues and the United Committee for the Taxation of Land Values, by parallel action in the way of their meetings, their communications and a well-directed circulation of literature, did much to stimulate and influence favourable opinion in these municipal circles. The activity in that field was of a piece with all the work of the movement that was continually engaged (to the limit of resources available) and with no less vigour during the horrible years of the war. There was but one momentary interruption when in May, 1941, the United Committee's premises in Knightbridge Street, the City, were totally destroyed by enemy action. The letter of an Irish supporter is remembered: "Sorry you have been unhorsed," he wrote, "remount and gallop ahead." The Committee was quickly in the saddle at 4 Great Smith Street, Westminster, its companion riders the International Union for Land Value Taxation and Free Trade, and the Henry

George School of Social Science; and it is left to the readers of LAND & LIBERTY to judge as to the further application of the Irish correspondent's metaphor. Perhaps this digression will be excused.

London County Council Bill

The County of London is an administrative area governed for county purposes by the London County Council. Within that area are 27 metropolitan boroughs, the City (central part) of London and the City of Westminster. These bodies, each with a Council of its own, levy and collect all the local rates, passing on to the County Council those that are levied for county purposes. For 27 years previous to 1934 the London County Council was controlled by the Conservatives, they posing as "municipal reformers." In that year at the triennial elections the Council was captured by the Labour Party, one of its chief claims for support being its declared determination to push the rating of land values. The Finance Committee of the Council was at once instructed to enquire into the rating system and make recommendations. The result was an illuminating report, a document of 28 quarto pages, completed in June, 1936, declaring that "the present system is inequitable in its incidence, that site value is peculiarly suited to local taxation by reasons of its arising from community influences including local expenditure, that it is desirable that the present burden of local expenditure should be transferred wholly or in part to a rate on site values" and recommending that the Government be urged to introduce legislation at an early date to empower local authorities to levy a rate on site values. The petition was made to Parliament but in that Tory dominated House the reply was that no Government action of that sort would be contemplated. The Council then decided to prepare and present a Bill on its own account dealing purely with the County Council rates which are levied over the whole metropolitan area. The outcome was the admirably drafted "London Rating (Site Value) Bill." It provided for a start being made with a county rate of 2s. in the £ of annual site value (assessing on that basis the true market value of the land apart from buildings and improvements) and it required that the charge be borne by the persons interested in the value of the land, each in proportion to his interest. In February, 1939, the measure was brought before the House of Commons as a "Private Bill" (seeing that it applied to London alone) and was sponsored by Herbert Morrison,

M.P., leader of the Labour Party in the County Council. The Tories, hoping to see the measure dispatched without debate, obtained a Ruling from the Speaker that it could not go forward as a Private Bill because it raised questions of public policy of great importance and affected interests of vast magnitude. Herbert Morrison then asked leave to reintroduce it as a Public Bill. The Tories were forced to record their opposition, the motion being defeated by 229 votes to 135.

Labour Pledges and Promises

The London Bill, thus resisted, remains as a model of draftsmanship, complete and precise in every detail, pigeon-holed like its companion measure the 1931 Finance Act, and ready for use when legislation giving effect to Land Value Taxation or Rating is next undertaken. But before we proceed, to see that there has been no such legislation, Socialism and Planning only putting new obstacles in its way, let us look back for a moment at some incidents. The success of the Labour Party at the 1934 municipal elections was a pointer to what might well have happened to the National Government if it had then appealed to the country. Undoubtedly it would have been sadly shaken if not overthrown. We can only speculate upon what kind of administration would have taken its place and what the course of history would have been. The Labour Party was then all out in protest against the repeal of the 1931 Finance Act and was only waiting the chance to undo that mischief. The intensity of its campaign for the London Site Value Rating Bill was most striking—by posters, placards, leaflets, demonstrations and speeches—a concerted advocacy of the principle and policy of land value taxation and denunciation of the existing system led by Herbert Morrison with incontrovertible argument. Frustration came, and again it was proclaimed that there would be plain sailing for the legislation when the Tories could no longer obstruct.

Towards Post War Reconstruction

In 1940 Neville Chamberlain resigned from the Premiership of the "National" Government. Winston Churchill became Prime Minister and a Coalition Ministry was formed of members from the Conservative, Labour and Liberal Parties. Parliament gave much consideration to post-war reconstruction and to matters like the planned development of land and control of its use. The problem of "compensation and betterment," that is, of land reduced or raised in value by

planning schemes, was treated in voluminous reports of specially appointed Committees, notably that headed by Justice Uthwatt. These problems were tackled in the 1947 Town and Country Planning Act and, as will be seen, in an altogether ill-fated manner.

In May, 1945, the war with Germany ended, the Coalition Ministry was dissolved. Preparations were made for a General Election, and a Conservative Ministry under Winston Churchill held office as "caretakers" until the result should be known.

Labour Government with Sweeping Majority

The General Election was held on July 5, 1945. The Labour Party was returned and the reins of Government were placed in the hands of Clement Attlee as Prime Minister. Following are the figures showing the "before and after" composition of the House:—

	Before	After
Labour	165	393
Conservatives and allies ...	398	213
Liberals	20	12
Others and Independents	32	22
	—	—
Total membership ...	615	640
	—	—
Over-all majority of—		
Conservative and allies	181	—
Labour	—	146

The Labour victory was surprising in its dimensions. It was sensational in that Winston Churchill with all his great prestige and renown was deposed from leadership of the country. The verdict was not on him but was given in a sweeping determination that the Tories must go; and in that he fell. It was an anti-Conservative rather than a pro-Labour vote, influenced far more by demand for a change than by faith in the Socialist policies the Labour Party was now advocating. The total vote (approximately) was 12,000,000 for Labour; 10,000,000 for Conservatives; and 2,290,000 for Liberals and 805,000 for sundry Independents. The Liberals were handicapped in two ways. They contested less than half of the seats and in 277 of them, where the contests were "triangular," the votes went in the main either to the Labour Party or to the Conservative Party, alternatively, to put one or the other in or keep it out. But it is a reflection on the British electoral system that the Liberals with their

2,290,000 votes secured only 12 seats whereas Labour with 12,000,000 secured 393 and the Conservatives with 10,000,000 secured 213.

Obedient to Privilege and Monopoly

There can be no attempt here even to touch upon the Labour Government's general record of achievement as a would-be builder of a Socialist State. What it has failed to achieve is any move towards appropriating the rent of land as the distinctive property of the community, and accordingly lifting or relieving the burden of taxation laid upon industry and the work of man's hands. On the contrary its legislation has driven in precisely the opposite direction. Successive Labour Budgets have re-enacted protective tariffs and reimposed every nuisance tax and repressive impost on trade and production or have fashioned more of the like. There has been a procession of Acts for the acquisition, development or improvement of land, or for control of its use, and all at the public expense, which have resulted merely in confirming private title to the community-created land value. Such are the Acts for road building and maintenance, for coast protection against erosion, for water supply, for reconditioning waste land and so on—all enhancing the value of land over wide areas but with no provision that the cost of the improvements should be met from that source. Such are the land purchase Acts for housing, schools, hospitals, small holdings, parks, open spaces, etc., paying the landowners a price by which they capitalise and cash the future rent of land, which in most cases was exempt from taxation or rated at a nominal figure. But the most reactionary and disastrous acts of the legislature, in its treatment of the ownership, use and occupation of the land, and the interests connected therewith, have been the three Acts: The Agricultural Act for subsidising and controlling food production; the Local Government Act perpetuating the iniquities of the local rating system; and the Town and Country Planning Act establishing State monopoly of the right to develop, indemnifying land speculators with £300,000,000 of public money, and compelling development to suffer liability for arbitrary charges.

Neglected Opportunity

The fault and folly of the Government, and its guilt, in not proceeding at once by way of the valuation and taxation of land values, are transparent. The protestations and the promises made when the Finance Act of 1931 was repealed

and the London Site Value Rating Bill of 1939 was rejected, have already been referred to. Those were the Labour measures ready in draft only waiting Labour's return to power for their reintroduction and passage. There can be no rational explanation why the opportunity was missed, why this wise and obviously necessary legislation was not undertaken.

Spoon-Fed Agriculture

The Agriculture Act, 1947, which with its subsidies, guaranteed prices and guaranteed markets, and its controls, has but raised higher the monopoly price of land and made a closed shop of the farming industry.

Local Taxation without Reform

Site Value Rating Shelved for Enquiry

The Local Government Act, 1948, confirmed the total exemption of agricultural land from local taxation and the three-quarters relief to industrial properties; it gave local authorities further grants out of the Treasury intended to relieve ratepayers but ultimately benefiting rent-receivers. Otherwise it left unremedied the rating system in all that it does to protect monopoly and penalise improvements.

(In the debate on the Bill, November 15, 1947, disappointment was expressed that there was no provision for site value rating, as Chancellor of the Exchequer Hugh Dalton had given ground to expect in earlier statements he had made. Reply revealed that the Government had not yet decided its attitude to the proposal. In December, 1947, a Departmental Committee was appointed to consider and report upon the "practicability and desirability" of a rate on site values, with the inhibiting condition "having regard to the provisions of the Town and Country Planning Acts and other factors." Those Acts were thus canonised; provisions in them which definitely conflict with the principle of Land Value Rating, or actually obstruct its application, could not be examined. The Committee's hands were tied in advance to possibly noxious or absurd recommendations. As this is written, it is more than 3½ years since the Committee began its sessions, and no report has been issued. The United Committee for the Taxation of Land Values and the Edinburgh Taxation of Land Values League submitted evidence which is published in Papers Nos. 14 and 15 of the Seventh International Conference to Promote Land Value Taxation and Free Trade, held at Swanwick, England, August,

1949—obtainable from the International Union at 4 Great Smith Street, London, S.W.1.)

State Monopoly of Development Rights

The Town and Country Planning Act, 1947, with its many provisions and schedules and provisos is too complicated for any brief description.* In its broadest outlines it does four things:—

- (1) It prohibits building development and improvement, and material change in the use of land and premises, which has not official sanction.
- (2) It vests in the State the right to develop land or to change its use, this right being exercised on behalf of the State by a specially constituted Central Land Board.
- (3) To landowners deprived of their so-called development rights (to appropriate communally-created land values) it votes a global "share-out" fund of £300,000,000 of public money by way of compensation.
- (4) It obliged the would-be developer to buy from the State the monopoly value of the permission to develop, payment taking the form of an arbitrarily assessed development charge.

No general valuation of any sort is provided for. It is only when some development or change of use is about to take place that the valuer, acting for the Central Land Board, has to determine, or indeed guess, two values, both of which are fabricated for him. One is the assumed selling value of the property, land and buildings taken together, supposing it was condemned perpetually to remain in its existing state—the "existing use value." The other value is equally hypothetical. It is what the property is worth if it carries the benefit of the permission to make the development in question. The difference between these two values is the measure of the development charge, and against the charge there is no appeal. Nothing more arbitrary, more open to abuse, more damaging to building and other development could be conceived. The operation of this charge, falling as it does only on the occasion of development and in relation to its extent,

* Readers may be referred to the special articles on the Act appearing in *LAND & LIBERTY*, January, May and June, 1947; March, July and November, 1948; February and November, 1949; and December, 1950. Also reports of Parliamentary Debates, March and July, 1947; May, 1948; November, 1949, and January, 1950. Published by the United Committee for the Taxation of Land Values, Ltd., 4 Great Smith Street, London, S.W.1.

has brought universal condemnation of the Act. The repeal of these financial provisions is demanded not only by those who see in them a complete travesty of Land Value Taxation but by all who are concerned with the building and allied trades and with productive enterprise in its widest sense.

Doom of the Planning Act

The United Committee, protesting at the outset against this mischievous measure, took a foremost part by all manner of publicity at meetings, Conferences and in the Press, to expose it as a fiscal and financial blunder of the greatest magnitude. Surveyors, estate agents, chambers of commerce, industrial federations and other representative bodies are lined up against the delays, penalties and frustrations it imposes. The Conservatives in party manifestoes have pledged themselves to a thorough overhaul of the Act. Although no one need have any illusions as to their motives nor as to any alternative they are likely to propose, the Conservatives will render an immense service if (on achieving power) they restore the private right to develop land, sweep away those financial provisions and make the Act a zoning Act pure and simple. The road will be the clearer for the wise and just solution of the land problem, which is by the Taxation and Rating of Land Values.

Political Prospects

It is difficult to prophesy the shape of things to come, politically. Certainly a great change has come over the scene. The revulsion against the Socialist policies that have been foisted on the people was shown at the General Election in 1950 when the Labour Government scraped home with a majority of only five over the rest of the House. Its position is precarious and the next verdict of the country cannot be long postponed. (Written August, 1951.)

Postscript

This survey has been so largely concerned with the course legislation has taken that it has not been possible to mention deservedly the activities of the movement and all that an intense educational effort implies; the meetings, conferences, publications, correspondence, study classes, etc. In Great Britain, the propagation of the teaching of Henry George is centred at 4 Great Smith Street, Westminster, London, S.W.1; the premises of the United Committee for the Taxation of Land Values Ltd.; editorial offices of LAND & LIBERTY and headquarters of the International Union for Land Value

Taxation and Free Trade, and of the Henry George School of Social Science. The United Committee was formed in 1907 by members belonging to the several Leagues for the Taxation of Land Values, the purpose being to co-ordinate and strengthen the work in all fields. In 1929, in order that it should have adequate powers of trusteeship the United Committee was incorporated as a company under the Company Laws—which is responsible for the “Ltd.” that is added to its name. Its objects, thus legally written into its constitution, are “to promote economic freedom and social justice by publishing, advocating and maintaining the principles and policy of Land Value Taxation and Free Trade as expounded by Henry George.”

August 24th, 1951.