

LAND & LIBERTY

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Editorial Offices:

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

All communications to be addressed to the Editor.

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

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THE LLOYD GEORGE LAND ENQUIRY

Speaking at Manchester on the 24th October, Mr. Lloyd George outlined his new land policy "for the towns" and occupied his speech with notorious cases of monopoly prices paid for land. These cases are quoted elsewhere in our columns. They are familiar to all readers of LAND & LIBERTY and point to the urgent need for a straight tax on land values and the rating of land values in town and country alike, in substitution for the burdens now levied on industry and improvements. But Mr. Lloyd George has used his illustrations for his own ends. He repeated with wanton rhetoric the part he played in 1909, when he made the pretence of a land-value-taxation policy, and ended with the mischievous and discriminating duties on increments, reversions and undeveloped land that have since been repealed and the money handed back, with Mr. Lloyd George's approval, to the landowners.

Mr. Lloyd George said he favoured the proposal that "local rates should be on a basis of real value and not upon a basis of nominal value." Speaking for the towns (the Land Enquiry Committee have already ruled out land value rating as applying to non-urban districts) he gave his blessing to the Bill Sir John Simon introduced in the House of Commons in April, 1924; and said the Land Enquiry Committee were prepared to adopt and support it.

The measure contemplated by Sir John Simon was in no sense of the term a Land Value Rating Bill. It made no provision for a general valuation of the land apart from improvements, nor for transferring rates from improvements to land value. It would set up intricate machinery for assessing some properties on their land value, and other properties on the "rateable value" of land plus buildings; that is, of the use to which land is put. It would require a new assessment of "rateable value" itself, before the Bill could operate—a "rateable value" that tries to determine what rents would be if tenants paid the costs of maintenance and repair, and if new improvements had not been made. The existing "rateable value," anomalous as it is, would be replaced by something more anomalous, having no foundation in fact and likely to baffle anyone who attempted to assess it. Then special and isolated valuations would be made at the option of the Assessment Committee or the Inland Revenue Commissioners or a panel of ratepayers, to decide whether this or

that property should be taxed on its land value or on the new conception of "rateable value."

Sir John Simon's Bill would introduce hopeless chaos into the numberless confusions of the present system. Its sole merit, if it could be made to work at all, would be to levy the rates on the market value of idle or under-used land, but Mr. Lloyd George and his Land Enquiry Committee would make that apply in the towns only.

These are the haphazard, arbitrary and complicated proposals that Mr. Lloyd George now commends and would substitute for the direct and straightforward taxation and rating of all land value, the policy to which his Party is irrevocably pledged by a thousand declarations.

The artifice of the Manchester speech is revealed in the light of the schemes "for rural land" already planned by Mr. Lloyd George and his associates, who are out to give the landowners of agricultural estates the "real value" of the land. The clear intention is that if the land reaches a price beyond the present building value—the price it has now acquired by and through public improvements like those named at Manchester—only the increased values of the future shall be annexed, or withheld from the private speculator. But these increased values are not to go to the community. They are to be appropriated by the "County Land Offices" for payment of subsidies to agriculture and for the costs of State management and control of farming operations.

The astonishing outcome of all this manoeuvring with a policy that tries to make distinctions between rural land and town land is that agricultural land of building value outside the urban boundary is to be bought at its real value; on the other side of the boundary (it may be on the other side of the fence) agricultural land with a building value is to be taxed at its real value—if we understand aright the reference to Sir John Simon's Bill. The MANCHESTER GUARDIAN must have been in a playful mood when it made the comment on Mr. Lloyd George's speech: "Here is a scheme carefully thought out, moderate, effective; the need is urgent; let who can and will propose a better." In our opinion it is impossible to conceive of anything more grotesque.

For example, COAL AND POWER was the first volume of this Land Enquiry. There mineral land is put in a separate class for special treatment. Mr. Lloyd George protested at Manchester against private appropriation of land value. Yet in COAL AND POWER, his own production, there stands the statement in cold print that the landowner who is to have his "unsuspected" minerals confiscated will obtain quite sufficient return from the increased value of his land which will arise from the presence of an industrial population "however stringent may be the precautions taken against his abusing this opportunity." What are we to make of these contradictions?

We await the publication of the Urban Report of the Land Enquiry Committee for further details of what is intended for the towns in the name of a land and housing policy. The views expressed at Manchester seem to indicate the removal on a grand

scale of city populations to the surrounding country. The thought was bold enough but it has no chance in the projects of the Land Enquiry Committee whose "County Land Offices," in the interests of subsidized agriculture, would have every inducement to hold the land for a profit over and above the monopoly "building values" landowners are to receive. Land speculation would be continued in another form as bad, as dangerous and as indefensible as now prevails. Reduced to its essentials and exposed in its nakedness that is what the Manchester speech declares.

Meanwhile, the "Rural" report has been published and we put its proposals on record at the risk of repeating observations already made. The Land Enquiry Committee:—

1. Ignore the savage operation of the present rating system;

2. Propose to raid the pockets of the taxpayers for unnamed but certainly enormous sums before land can be made available for better use;

3. Would grant the landowner a perpetual pension in place of the rent he now receives from the tenant, and would include in that pension the whole of the benefit landlords are now getting out of the Agricultural Rates Act subsidies;

4. Would take money from the taxpayer to purchase land occupied by the owner and would pay the full value for the best use to which the land could be put, even if it is idle or neglected to-day; they would pay monopoly value;

5. Would buy back (also with taxpayers' money) all the farm land that was boomed in price during the great speculation provoked by Mr. Lloyd George's Corn Production Act; the land being thus bought back by the State at fancy prices would be re-let to the present holder at a direct loss. How many millions will that cost? The Land Enquiry Committee make no estimate. They dare not say;

6. Would leave untouched the privilege of holding vast areas of land assessed and rated at a purely nominal sum—private parks, pleasure grounds, "amenity land," and estates "with park walls seven miles in length";

7. Would offer a still more direct and unmistakable challenge to all claims in favour of land value taxation, by securing of landowners all that speculative value called "building value" which is the one abiding obstacle to the better use of land for agriculture and every development.

All this—and more—means good-bye to any hope of freedom for agriculture or honest reduction of taxes on farm buildings or other improvements. The policy insinuates at every point that land value is *not* a public value but belongs to the landowners. The road is opened wide to the corrupt practice of more subsidies for agriculture, so piling taxation upon other industries which are already staggering under their load.

After the landowner has been ransomed, agriculturists are told they must be taught their business by county committees and if found "inefficient" will be expelled from their farms. They will be

controlled, inspected, and put in their place by survey commissioners, land commissioners, land courts, county land offices, tribunals and boards of all sorts, and Government departments.

If the labourer behaves himself and passes the tests of these interfering bureaucrats, he may get *perhaps* after five years, a half acre added to his cottage. But his destiny as a class would be as a servant, always at the beck and call of a master. His hopes of a small holding would seem to depend on evictions of farmers found incapable.

The tenant farmers, if they worked the land in a manner approved by county committees, would become a new class of privileged persons. They against all others would have undisputed possession, paying rents never to be raised during their lifetime or that of their heirs. If the land should increase in value as farm land through no effort on their part they would pocket the land value that rightfully belongs to the community as a whole.

There need be no disguise. The new "land campaign" for land purchase and State control of agriculture is an attempt to jettison from the Liberal platform the clear demand for a national tax on land values and local rating on land values *in town and country alike*. As Lord Oxford and Asquith has said, the Taxation of Land Values and the relief of enterprise from public burdens would be "two potent promoters of industry and progress." If the word of Lord Asquith and Oxford is to stand, well and good. If other counsels are to prevail, there is no prospect of real land reform.

The Land Enquiry Committee have obviously been got together to mock the equal rights of all to the land. The policy they ignore and by implication oppose—the Taxation of Land Values—is more than ever urgent after all the post-war legislation to bolster land monopoly and increase beyond endurance the taxation on industry.

We have had the Corn Production Act; the housing and land settlement schemes based on "payment of full value" to the landowner; relief to landlords through the Agricultural Rates Act; tariffs to increase indirect taxation; reduced income tax where land is held as private parks, private pleasure grounds, or for private "amenities"; doles and subsidies on every hand. Mr. Lloyd George himself when Prime Minister was responsible for much legislation of that kind; he is now out on the platform to rob the community of its claim to tax land values and the individual of his right to own what he produces. All he ventures to propound "for promoting agriculture" is some ill-defined scheme for capturing future increases of land value, a scheme that is the more absurd and unworkable because it would be confined to building land. The "increment duty" of the 1909 Budget imposed when land changed hands has surely proved that all devices of that kind are to be condemned out of hand as utterly inadequate and certainly harmful, only giving an added incentive to the withholding of land from use.

In the countryside, cultivation is penalized as severely as house building and manufacture in the towns. Parliamentary Acts for land settlement and

small holdings have broken down or must be run at a loss and with the help of State subsidies, because of the high purchase price of the land and the burden of rates on improvements.

A typical example is afforded by small holdings at Borough Fen, Peterborough, where the value for assessment, after the land was developed, went up from £6,450 in 1914 to £10,000 in 1922, and rates increased from 4s. 8d. to 8s. 4d. in the £. In one case a tenant pays in annual rent £3 7s. 6d. per acre (and £30 for buildings), the land having been rented to a farmer in 1914 at only 25s. per acre.

In England and Wales there are 19,359 unsatisfied applicants for 299,093 acres of land for small holdings. Is there not room in the country for tens of thousands and hundreds of thousands more? What then stands in the way?

Land required for agriculture, and land that contains coal and other minerals, clay, slate, stone, lime, sand, etc., is held up at all points. There is no access to Nature's raw materials for buildings and manufacture until permission has been bought from monopolists and speculators. And until that incubus is removed there can be no rise in wages, no cure for unemployment, no solution of the housing problem, no fair chance for agriculture or for any industry.

The universal evil is this, and it behoves every genuine land reformer to take note: However valuable land may be it escapes local rates and property tax if it is idle or unused. The whole weight of taxation is thrown on those who occupy land in the effort to live and work as useful citizens. There is no distinction between rural and urban land in that respect and there can be none. The evil is universal and calls for a radical remedy that will apply to land everywhere, for the good of industry and the welfare of the community. The remedy, which must precede and must be the basis of any reform in land tenure, is to tax land values and take taxes off industry. There is no other way to freedom of production and real free trade.

A. W. M.

The IRISH WEEKLY AND ULSTER EXAMINER carried a column report of Mr. Wm. M'Lennan's address to the Scottish League last month on "Henry George: The Man and His Work." The lecturer's concluding words were: "For such as he can lend, they borrow not glory from those who made the world their sway, and he is gathered to the kings of thought who waged contention with their time's decay, and of the past, are all that cannot pass away."

By FREDK. VERINDER

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From our Offices.

"LAND & LIBERTY" SUSTENTION FUND

A subscriber to the Fund residing in Kent and for long years a loyal supporter of the English League, writes: "I am anxious to help LAND & LIBERTY at this time and with a view to helping the Sustention Fund I am willing to subscribe £10 (ten pounds) if nine other people will subscribe an equal sum. The offer holds good for a year from now."

Our good friend has taken his own way of helping the Fund. It is an offer and a challenge from a keen worker in the movement that we did not look for, though it is like the man. For the sake of the Fund and his own belief in this appeal we earnestly trust we shall soon be able to announce the approach of the "nine other people" he seeks to enlist in this venture of faith.

We have had some encouraging response to our Appeal last month, but nothing to equal the needs of the case. We have had one special contribution from a combination of friends who accompany their gift with a unanimous vote of confidence in LAND & LIBERTY and its related work. Several promises of support later on go to indicate that there is a silver lining to the clouds that now hang heavily over our own and kindred movements.

The under-noted appreciation comes from Danish friends and co-workers:—

We of the Danish Henry George movement value beyond price the service you render us in the pages of LAND & LIBERTY. In our common cause, it is of vital importance that your journal should maintain its standard of excellence and virility, and continue to inspire us not only with the news of the splendid work the United Committee and its associated Leagues are carrying on, but also with all its information of the progress of the movement in many parts of the world.

We look to you as the headquarters of the international movement for continued help, guidance and inspiration in these ways.

It is a matter of grave concern to us that you should have the fullest measure of support that friends can give and it would be a calamity to us, and we are convinced to the movement all over the world, if our British co-workers had to limit their activities or if you had to curtail the service that to us has proved so valuable.

We are therefore eager to express to you our fraternal greetings, and our gratitude, with the hope that there may be no respite in your courageous task until your object, and our object, is achieved.

(Signatures)

F. FOLKE. JAKOB E. LANGE.

P. LARSEN. K. J. MÖLLER.

A. VEDEL.

We gladly put on record this fine tribute to LAND & LIBERTY, and can assure our Danish colleagues that everything possible will be done to maintain the standard, so to merit the fullest measure of support that friends can give.

An able and strenuous supporter sends 10s. and only wishes he could give more. We refer to this