

## LAND & LIBERTY

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### LAND VALUE TAXATION AGAIN IN PARLIAMENT

"The rating of site values is not a mere question of the apportionment and incidence of the rates. It goes to the root of the most pressing and most neglected of social questions. What is claimed for it, and rightly is, that its effect will be to increase the supply of houses and improve their quality, and to reduce the rents, which in many cases are artificially high, and a cause of widespread impoverishment to the people."—SIR HENRY CAMPBELL-BANNERMAN, Glasgow, 27th January, 1904.

"I have come back more convinced than ever that the first thing the Labour Party at home must do is to break up the land monopoly. We are playing with it now, and you don't discover that until you go to Australia and see what they are doing. They are breaking up all the large estates and making it the easiest thing imaginable for a man to get upon the land and have a small farm of his own, and bring up his children there."—J. RAMSAY MACDONALD, M.P., on his return from Australia, 15th January, 1909.

We cordially congratulate Mr. Wedgwood in his successful attempt to bring the Rating of Land Values again before the House of Commons, in the form of a Bill. It is a sign of the times showing plainly that the question is now in hands of this "new force to be reckoned with in our politics." The Labour members have been true to the pledges they gave the United Committee at the General Election. One hundred and eleven voted for the Bill, which was also supported in the division by 42 Liberals, 8 National Liberals and 2 independent members. There will be other opportunities to bring the matter forward. We can rely on Mr. Wedgwood, Mr. MacLaren and others to see that this is done. Mr. Wedgwood's "ten minutes" effort was the next best thing after the failure to secure a place in the ballot for private members.

What is wanted of course is a national tax on land values, and to this end the essential first step, valuation of the land, must not be ignored. We begin anew, and as Lord Strathclyde reminded us in 1909, one of the main objects of valuation is the removal of all rates, as well as taxes, from the value of buildings and improvements—the work of men's hands—and the placing of the whole of it

upon the basis of the value of the land. When the question of a national tax is not in season, there is much to be said for a Bill for the Rating of Land Values, for the sake of the publicity the discussion provokes, if for no other reason. The rating question can just as effectively bring out the all-important need for valuation as can any provision for a Budget tax.

Land Valuation is not the difficult problem it seemed to be when the Budget of 1909 was introduced. Since then we have gained all the knowledge of how to proceed from across the seas, where land values rating and taxing is now in practice. Lord Strathclyde was ever foremost in pointing out that valuation was not mensuration. It was a matter of opinion, and when opinions clash as they will when opposing interests are at stake, it takes time and patience, quite apart from goodwill, to reach a satisfactory working compromise.

It is clearly seen now that the reply to those who call for a perfect valuation is that the tax or rate on land values is the true pathfinder to their ideal condition. A moderately accurate valuation will make a good beginning; once the policy is in practice, time and experience will do the rest. The heights and hollows of monopoly-priced land revealing themselves everywhere, in town and country alike, in selfish greed, caprice and ignorance must first be reckoned with and subdued before we can correctly gauge the mean level of economic rent.

A Bill for the local rating of land values may appear to strike a minor key, but Captain E. G. Pretymann, the ever-watchful agent of the Land Union, knows its danger to his special clients. In opposing the Bill he cast the ready stone at the abortive 1909 legislation, but nobody on either side of the House grudges him this exercise. His charge, often repeated in the Press by members of the Land Union, that the housing shortage is largely, if not wholly, due to, land clauses of the "People's Budget," has been shown time and again to be without any basis in fact. The breakdown of the housebuilding trade began long before 1909, and can be traced during a long course of years to the ever-growing burden of the rates and the ever-present obstacle of high-priced land. The Rating of Land Values is designed to relieve the industry altogether of the burden by deriving revenues from the value of the land apart from improvements. To quote Lord Strathclyde again: "The land reformers thought they had found a better system in the value of the land. They discarded the ability to pay, and they discarded the man's capital and income until they had discovered the source from which it was derived. If they found that the source of a man's income was from his toil alone they would lay that on one side as wholly unsuitable as a basis to fix his contribution to the rates, but if they found that the source of the capital was the value of the land alone, they said there was a suitable basis."

Captain Pretymann should address himself to this better system and explain how in his opinion taking the burden of the rates off houses is to strike a disastrous blow at the building trade! In the course of his attack on the Bill, with ten minutes

for discussion, he contended that the experiment had failed in Canada. What can be said of the Land Union, or its speakers, in their persistent and untruthful statements, when, again and again, we supply them with the facts of the case provided by the Canadian authorities? The official data which we have put before our readers prove that the Rating of Land Values in Canada fully justifies those who seek the reform in Great Britain, yet the "gallant Captain" has the hardihood in open debate to assert the contrary.

The facts are that it is precisely in Canada that this reform has most fully proved the claims made in its favour. It obliged the speculators in vacant land, "held for a rise," to let go, and brought land into use. In certain towns, municipal corruption and complaisant councillors protected for a time the interests of these speculators. The authorities failed or refused to collect the taxes after they were imposed. Arrears of taxes naturally accumulated, not because the delinquents could not pay, but because they were not proceeded against. But the Provincial Governments, more radical than the town councils, where the speculators had so much influence, put an end to this culpable inaction by passing laws effectively enforcing the collection of tax arrears. The consequence was that the defaulters had to put their land on the market, and the price was very much reduced in the process; many of them surrendered their vacant sites, which became public property.

It was only the "vacant lot industry" that suffered. The industry of home-building and the interests of all the producing classes benefited when land monopoly was thus compelled to give way. No wonder the Taxation of Land Values still holds the field in those Canadian communities. In British Columbia, 31 cities and district municipalities (including Victoria, the capital) tax land values only. In the towns and cities west of Manitoba by far the larger part of the rate-revenue is derived from land value taxation. In Alberta, Saskatchewan and Manitoba the value of the land is rated in rural districts and the taxation of agricultural improvements is practically unknown. If that is "disaster," as portrayed by Captain Pretymann, we need have no fear of it in this country. It is to be welcomed. Captain Pretymann urged that the whole scheme of Land Value Rating as applied to Canada had been mischievous. It has been—to his Canadian friends the land speculators and profiteers.

The division on the Bill revealed 160 M.P.'s for the application of this "Canadian disaster" to England and Wales. It is open to some Scottish member to force another division on a similar Bill for Scotland.

The Debate on the Address at the opening of the Parliamentary session was not altogether barren of references to the need for land reform. The question cropped up day by day, but not a word from the leaders of either the Labour or Liberal Parties. Fourteen years ago Mr. Ramsay MacDonald, on his return home from a visit to Australia, said: "I have come back more convinced than ever that the first thing the Labour Party at home must do is to break up the land monopoly." He is now the leader of the Labour Party, yet never once since his election to that position has there fallen from

his lips a single word about the land policy that was to be his first concern.

The housing shortage, with its allied problem of crushing rate burdens, cannot be talked out of sight or kept under by passing catch-phrases about the wickedness of private enterprise and how the Labour Party will settle it some day in the dim and distant future. Nor will it suffice to denounce the capitalist system. What the working classes want is freedom rather than riches at the expense of any class. Given the freedom which the Taxation of Land Values would achieve the worker could look better after himself than most people seem to imagine. Denied this freedom the worker is helpless. In the existing monopoly-ridden system it is not in the power of even the Labour Party to lift him into a position of independence.

Discussing the question with a correspondent, the Glasgow labour weekly FORWARD, 24th February, says: "But the taxation of land values will not curb the industrial capitalist nor does increased production bring salvation to the worker. Hundreds of thousands of craftsmen are idle to-day and in poverty because they have produced so much that the warehouses are overstocked."

If the Taxation of Land Values will not curb the industrial capitalist, what is the alternative policy? The Taxation of Land Values will stand some examination as a reliable first step on the way to industrial emancipation. It is expedient, and on these grounds alone it will compare favourably with any other item in the Labour programme.

It is simply not true that hundreds of thousands of craftsmen are idle to-day and in poverty because they have produced so much. If the workers of the country could give instant and effective demand to their crying need for the commodities they require the overstocked warehouses would be emptied in a day. FORWARD ought to know as much. What our contemporary and all who think on similar lines suffer from, as revealed in their economic disquisitions, is the difficulty or inability of getting to grips with "the things that are not seen." They see clearly enough the maldistribution of wealth in society but are ever heedless of the natural laws that govern the distribution.

We know how to produce but have not yet learned how to distribute wealth, is a common-place remark. How few realise that it is the interference with production that causes the bad distribution. Despite the "overflowing warehouses," we have not yet learned how to produce wealth. There is knowledge enough and capacity enough to bring about any change for the better; the trouble is the restrictions imposed by land monopoly to any advance, and with the men who blindly and wilfully refuse to bend their energies to the reform that would bring the much-needed relief and enlightenment.

The Taxation of Land Values is no mere money-getter for fancy schemes of social reform, though most politicians affect the part. It is advanced and promoted as an instrument for the removal of the chief obstacle to freer conditions. There is no leadership in politics to-day equal to the occasion. One hour of men like Campbell-Bannerman or Alexander Ure, Lord Advocate, would make a difference.—J. P.