

LAND & LIBERTY

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Here are two simple principles, both of which are self-evident:

I.—That all men have equal rights to the use and enjoyment of the elements provided by Nature.

II.—That each man has an exclusive right to the use and enjoyment of what is produced by his own labour.

There is no conflict between these principles. On the contrary, they are correlative. To secure fully the individual right of property in the produce of labour, we must treat the elements of Nature as common property.—*Henry George*: "Protection or Free Trade," chapter 26.

THE RATING QUESTION

In municipal affairs the Rating Question has become one of burning importance. It overshadows all other issues, including the question of Housing. The urban landlords have been paid the full market price they were promised by the Prime Minister, and houses of a kind are being erected monthly at uneconomic rents. As the new houses are transferred from the headquarters of bureaucratic control on to the newly acquired ground, the rates advance so many more shillings in the £. Already we hear in some cases of a 30s. rate to meet the new obligations. The Labour Party and others have worked strenuously for the end of private enterprise in house building and for the communal builder to take its place. The transition is now well on the way and so are the consequences. It is idle to contend that the wrong men are in charge of the new firm. In the circumstances where are the men who could do better? It is not a question of directors and managers; it is a question of principle, and where the private builder, who at least knew his business, failed, it is far from likely that the amateur builders at Whitehall, or in our municipal councils, will succeed.

The housing failure can be traced to the onerous conditions imposed by law and custom on the man who would build himself a house, or houses for others to occupy. These conditions have been traced clearly enough to high-priced land, and the penalizing influence of a rating system that appears to have been designed to make houses scarce, bad and dear, and ultimately, as we have seen, to drive the building trade into bankruptcy.

The private builder has failed, we are glibly enough told, but what industry could succeed if it were taxed fifty per cent. each year on the value of its output? The call to-day is for increased production, but the rating law in practice dares any man or any body of men to produce a single house on pain of an annual exaction that must stay the hand of him who would

make two houses stand on a field where one stood before, and thereby minimize the overcrowding scandal. Our rating system, said Sir Henry Campbell-Bannerman, twenty years ago, acts like a hostile tariff on our industries, and nothing has been done since to remove the tariff or even to mitigate its harshness.

The time has surely come to look the facts in the face and for a beginning to be made with a sound alternative plan of raising local revenue. The existing system has broken down and it is a waste of time to mend it in any way. The only thing to do is to reject it as a public nuisance and worse, and to agree that the time has come for its abolition. Is this a tall order? Then let us look across the seas and realize in Sydney an advancing community of no mean dimensions that takes the whole of its municipal rates from the value of land and nothing whatever from houses or improvements. There they have taken Lord Strathclyde's advice and blotted buildings and the work of man's hands out of the standard of rating. Nor is there any thought of going back to the old harmful system. A representative Sydney journalist in London the other day declared that their local rating of land values held the field. It is a local application of the Single Tax, he was told. "I suppose it is," he replied, "but it is quite sound and beneficial and we should like to meet the man who would take it from us." As we write there comes to our Bureau of Information the N.S.W. QUARTERLY BULLETIN for March, 1920, which shows that during the eight years, 1912-1919, new buildings had been erected and alterations and additions made in Sydney of the aggregate value of £42,057,000.

A year ago the London County Council discussed a motion in the following terms: "That the Council resolves to petition Parliament to the effect that powers be granted to all Local Rating Authorities throughout the country—County, Urban and Town Councils—to impose and levy a tax on the value of all land for local purposes." The resolution was lost by a vote of 62 to 46, but in the following month, November, 1919, the London Municipal Labour candidates made good with an election cry that they stood for "the full Rating of Land Values and no dodgery." The rating of land on its real capital value was the first plank in their programme, and last month the Party again affirmed the principle. During the year the question has been further considered and approved in official Liberal circles, in England and Scotland. At the Labour Party Conference at Scarborough in June, as at the Trades Union Congress at Portsmouth last month, resolutions were passed that go to show that our people in these various circles mean to be heard.

The time has come for a further advance in municipal administration. Glasgow, Aberdeen, Dundee, Manchester, Bradford and Cardiff can again take the lead in demanding powers to rate land values and unrate improvements. Twenty years ago the Local Rating Authorities, led by Glasgow, knocked loudly enough at the door of Parliament for this legislation, and their demand was heard, and to some purpose, all over the country and across oceans. Great Conferences were held in various centres under the auspices of the Municipal Conference Committee, literature was issued and Bills for the local Rating of Land Values were framed and introduced in the Commons. From 1902 to 1905

second-reading majorities were registered for these Bills, and finally in 1906 the cause was handed over in the most flourishing condition to the reigning politicians of the day. These gentlemen were pledged up to the hilt to give the Local Rating Authorities what they asked for. How they were bamboozled, cheated and betrayed is now a chapter in our island story that makes sad enough reading as it marks the place where the once proud Liberal Party stumbled and fell. The fancy and artificial looking land duties of the 1909 Budget were substituted for the real reform against which the door was shut, bolted and barred. Thanks to the persistent and unceasing skill and determination of our militant supporters, the door was opened again in February, 1914, when Mr. Lloyd George, in the name of his chief, Mr. Asquith, declared at Glasgow that the Local Rating of Land was still an integral part of the Government's policy.

This was the stage of our progress when Armageddon burst upon all civilisation. We are now nearing the end of the second year of peace which finds us in a veritable backwash of reconstruction theories. In the fury of the war, dreams were dreamed, honestly enough we may well believe, of a land fit for heroes to dwell in. The peace appears to have dispelled the dream and the dawn reveals, instead, labour unrest, strikes galore, with the President of the Board of Trade going about the country begging someone to do something to take in the heroes who stand idle in the market-place. The heroes who fought for their native land were persuaded by inference and by suggestion, if not in so many words, that the old régime of unemployment and hard times was a thing of the past, that they had by their valour and suffering won a stake in their native land. But this turned out to be so much platform peroration, the land belonged to the landlords, the peace had doubled its value, and if a hero wanted a few square yards for honest industry or for a house he must, he was told, pay the monopolist the full market value. Is there any wonder that the gathering forces of industrial discontent threaten to paralyze the hand that would stretch out to a better understanding and a settlement of these and larger issues?

The Conference at Glasgow last month, which we report on another column, was promoted to consider one well-defined reform, but it is one that by no means stands detached and unrelated to other social problems. Local rates are soaring and the need for additional revenue dogs the footsteps of every local representative. The days of the indignant ratepayer and his Press for turning out the spendthrifts and putting in the economists are no more. Their occupation is gone, for plain people know that with advancing prices and higher wages, so named, the rates are bound to mount higher still. The real question, which the Glasgow Conference dealt with is, how are the rates levied? Is there anyone, or any subject not on the list of rate-payers—is there anyone escaping with a smaller contribution than he should render? The answer to this question is that the rates are levied on industry, on improvements and that the value of land held idle and underused escapes. This is part of the case for the alternative system we advocate. The major argument is that the land belongs to the people; that its market value apart from improvements is a communal value

and that this belongs to the people as a whole, and not to any particular class.

In the search for an alternative remedy to the Rating of Land Values some people, including advanced reformers, have taken to a local income tax, while others would apply both remedies. Some would seek relief or solve the problem by throwing the cost of maintaining such services as police, education, poor law, asylums and main roads, which have been named "national in character," on to the national exchequer, the revenue to be derived from a tax on land values. Others would strive for this relief by a tax on wealth, which in effect and in fact means a tax on industry.

No one has yet formulated a workable scheme for a local income tax. If and when this scheme is tabled, will it provide for the rating of incomes derived from chief rents, ground rents and ground annuals? If it does not, something will be heard from the other side of the fence, and if it does include these gilt-edged securities, its sponsors had better get ready for their daring to touch the ark of the covenant.

As to the services that have been named national in character and therefore to be passed over to the Chancellor of the Exchequer, what will this transference accomplish? Is there not a danger that if and when opinion is ripe for this transference those who would find the revenue required by a tax on wealth will successfully outbid the land taxers? The land taxers will help the wealth taxers to make the pace for the change, and as in the case of old age pensions the relief will be given with the taxation of land values left to take care of itself. Even now the transference of one of these services, national in character has taken place. A Central Road Board has been established with an annual income to begin with of some £10,000,000, and this sum is being raised not by a tax on land values, but by a tax on the motor industry for the express benefit of the landowners on either side of each road affected. Road mending on the principle adopted means taxes on the wealth producer and fortunes for the non-producer and obstructionist. In the matter of education the Government are spending £38,000,000 more this year than in 1913-14, and for police £9,000,000 more, all of which is taken by taxes mostly, if not wholly, passed on to the consumer in higher prices.

The remaining item of this transference programme is the poor rate. But is it not the creed of every Single Taxer that this institution would disappear altogether under the emancipating influence of a tax or rate on land values? It is clear that with the tax in operation not even the national character of this service would prevent its passing into oblivion along with its root causes, unemployment, low wages, and all such evidences of a monopoly-ridden State. To advocate the taxation of land values as a means to provide sustenance for the poor who are poor because of the social injustice that the tax would rectify looks like something in the nature of comic opera.

But quite apart from these more homely considerations, why should the central government of the country be encouraged to take more financial power to themselves? Is it not now widely recognized and admitted that the cure for the congestion at St. Stephen's is to pass over to the various local councils some of the district or

national responsibilities that Parliament staggers under? Are there not enough, and more than enough, services that are municipal in character in the hands of the politicians and their well-placed permanent officials? And what about the advancing claim of Home Rule for Scotland and Wales, to say nothing of Ireland? These are questions that demand an answer, and the answer must surely be in keeping with the best traditions of democratic thought and aspiration. Is it not manifest that public safety lies in the direction of decentralization, just as it is clear that the ephemeral interest of the possessing classes is to be found in the maintenance of the existing system?

By all means let us keep before us the urgency of a national tax on Land Values, but let us keep it in its own place. It can be levied for the freeing of the breakfast table, or in substitution of Schedule A of the Income Tax, or stand on its own merits as a claim of the people to an instalment of communal value due to their presence, their needs and their industry, but for purposes of legislation, no less than municipal action it should be kept clear of the separate question of local rating.

The rating question is the line of least resistance at this testing time, and every sensible Single Taxer can serve the movement best by paying heed to this opportunity: "with the stream we can go fast and far, against is hard pulling and slow progress." We would stress the terms of the rider to the Glasgow Resolution. Land Valuation is the key to any practical measure either of rating or taxing. Without Valuation nothing can be done; with Valuation the tax or rate is possible, and it is the true pathfinder to all other difficulties. The Government have refused categorically to unlock the cabinets containing the facts and figures relating to the value of the land, now lying in each of the 130 local Valuation district offices. It is up to any enterprising municipality to demand the information relative to their respective areas. This data has not to be sought for, it is already in existence. It has been collected and paid for at the public expense, and there is no good reason for withholding it. Mr. Chamberlain's case is that it would cost £40,000 to add up the totals for the whole country, and that in these days of rigid economy and high-paid bureaucrats he cannot afford to dispense such luxuries. This decision, by the way, is in striking contrast to his handing back to certain privileged taxpayers some £2,000,000 collected from them since 1910, through the medium of the Land Duties. But that is the Government's way of retaining the affections of their principal supporters. It is a sort of family affair.

The Rating Authorities should take the matter into their own hands. If it takes £40,000 to sort out the Valuations for inspection and use, the cost for Glasgow alone should work out to about £1,000. Let the Glasgow City Council, or any other local council concerned, take the Chancellor round this awkward corner by offering to pay the price of their own additions. The facts and figures now in cold storage will reveal the relative values of land, buildings, and improvements, fixed charges, etc., as they were in April, 1909; a convincing enough argument for any local authority inclined to state a case for the Rating of Land Values. Of course these

values are now out of date and badly in need of some adjustment. But a demand for this 1909 data would raise the issue and show cause for the necessary revision. In this connection one thing is wanted, and one thing only, namely, a new single column in every valuation roll showing the value of each separate piece of land, as land, apart from the improvements on it.

This is a simple and straightforward plan. It was first brought before the City Council of Glasgow thirty-one years ago, and was subsequently embodied in the Council's Bill for the Rating of Land Values. All through the years since in municipal circles and on ten thousand platforms up and down the country this principle has been advocated and upheld against opposition from every quarter. It is what the municipalities should now insist upon, and it is what our people should bring before the ratepayers. J. P.

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