

## LIBERAL PARTY PLEDGES

### LAND VALUE TAXATION AND RATING

Following are some of the official declarations of the Liberal Party in favour of the taxation and rating of land values:—

**1889 and Onwards.**—At the Annual Conference of the N.L.F. in MANCHESTER in 1889 it was resolved that “in any reform of the land laws a just and equitable taxation of land values and ground rents is an essential condition”; the duties on necessary foods should be abolished, this being effected by “the juster methods of taxation demanded by the Federation.” In 1890 this resolution was repeated at SHEFFIELD. In 1891 and with more emphasis it was made part of the famous NEWCASTLE PROGRAMME which was confirmed in 1893 at LIVERPOOL, in 1894 at PORTSMOUTH, and was restated year after year, the Newcastle Programme providing the ammunition for thousands of Liberal candidates and claiming popular support at tens of thousands of Liberal meetings for more than a generation.

**1902-1910.**—During the four years preceding the Liberal victory of 1906 a number of Bills were introduced—by Liberals—to provide for the Rating of Land Values, but under a Tory Government they met a natural fate. After the victory, the Liberal Government tried vainly, against House of Lords obstruction, to legislate for the Rating of Land Values (the Scottish Bill was the touchstone) and the outcome of the struggle was the approach by means of a Finance Bill (1909) with which it was thought the House of Lords dared not interfere. But the Lords again obstructed to provoke a constitutional crisis, which was resolved after two General Elections in the passing not only of the Finance (1909-10) Act, 1910, but also of the Parliament Act. The so-called “Land Value Duties” of the Finance Act were unsatisfactory (see reference in the campaign LEAFLET No. 2,611). It was the provision for a land valuation that had aroused the real storm yet the valuation needed amendment before it could be used as a basis for the taxation of land values, either locally or nationally. The Liberal Government sought to make the necessary amendment in the Revenue Bill of 1914, when the war came to stop all progress.

**1910-11.**—Soon after the passing of the Finance (1909-10) Act, 1910, Liberal Members of Parliament, with the Labour Members who together formed the Land Values Group, headed an agitation bringing pressure on the Government to enact as follows: (1) Hasten the completion of the valuation; (2) Empower local authorities to levy rates on the basis of that valuation; (3) Levy a Budget tax on all land values to be applied partly for the re-adjustment of local and Imperial taxation and partly to remove the duties on tea, sugar, cocoa and other articles of food. These proposals were submitted on 18th May, 1911, to Prime Minister Mr. Asquith and Chancellor of the Exchequer Mr. Lloyd George by deputation from the Land Values Group in a MEMORIAL SIGNED BY 173 MEMBERS OF PARLIAMENT, of whom 132 were Liberals.

**1912.**—The General Committee of the N.L.F., meeting in Rugby on 10th May, 1912, unanimously adopted

a resolution cordially supporting the MEMORIAL just referred to, repeating the whole of it textually.

**1921.**—The Executive of the N.L.F. appointed in 1920 an INDUSTRIAL POLICY COMMITTEE to formulate proposals for a new economic and industrial policy for the Liberal Party. It reported in 1921, its recommendations being embodied in a set of resolutions, the one relating to the valuation and the rating and taxation of land values declaring that: “The site valuation of the Finance (1909-10) Act, 1910, should be amended and brought up to date and should be made accessible for public use; that a uniform national tax should be imposed on the capital site value of the whole country, and that local authorities should, by a new Rating Act, be required to levy a rate on site values in reduction of the rate as levied on the existing rateable value.” (The resolution applied the land-value-tax policy also to minerals and mineral rights.)

**1921.**—The foregoing resolution was submitted to and adopted by the special conference of the General Committee of the N.L.F. in NOTTINGHAM, 24th and 25th February, 1921 (see also reference in the LEAFLET No. 2,611). It was thereafter endorsed at the Annual Conference at NEWCASTLE-ON-TYNE, 24th and 25th November, 1921.

**1923.**—Mr. ASQUITH. At the Annual Conference in BUXTON, 1st June, 1923, Mr. Asquith said: “It is time for us once more to reassert that we recognise for the purpose of taxation, whether Imperial or local, a distinct difference between two kinds of value—the value created by the energy and enterprise of individuals, and the value which is not so created, but which arises from the progress and general development of the community at large. Upon that fundamental distinction we have always taken our stand, and we hold, as we have always held, that so far as practicable local and national taxes which are necessary for public purposes should fall on the publicly-created value rather than on that which is the product of individual enterprise and industry. That does not involve a new or additional burden of taxation, but would produce these two consequences—first of all, that we should cease to be imposing a burden upon successful enterprise and industry; and next, that the land would come more readily and cheaply into the best use for which it is fitted. These two things would be two potent promoters of industry and progress.”

**1924.**—The Annual Conference at BRIGHTON, 22nd May, 1924, resolved with one dissentient that: “This Council believes that the Taxation of Land Values, coupled with the reduction of rates and taxes on improvements, would discourage the withholding of land from use and would have beneficial effects on agriculture and horticulture, and consequently on the economic position of the agricultural labourer; it would prevent excessive prices being demanded for building sites and for raw material required for building, and this, together with the reduced rates on the finished structures, would materially assist in solving the housing problem.”

**1925.**—The National Convention of Liberals, held in LONDON, 29th January, 1925, to consider a Party declaration of Liberal principles and policy, adopted a Programme in which the first aim was: "To bring about by the Taxation and Rating of Land Values a reasonable transfer of public burdens from building and other improvements to the unimproved value of land, and thus cease penalising enterprise."

**1925.**—Mr. ASQUITH. Speaking at HUDDERSFIELD on 7th November, 1925, Mr. Asquith urged an earnest and immediate consideration of our land problem, BOTH RURAL AND URBAN, for in his judgment THEY COULD NOT DRAW A SHARP OR ANY LINE OF DEMARCATION BETWEEN THE ONE AND THE OTHER.

**1930.**—The Annual Conference at TORQUAY, October, 1930, adopted a MANIFESTO ON LIBERAL POLICY calling for the revision of existing methods of taxation so as to make them as little burdensome as possible, and saying: "The leading part of this revision should be the Taxation of Land Values which would transfer burdens from industry to monopoly, promote increased production and enterprise, and secure to the community the values created by their industry and enterprise."

**1935.**—The Annual Conference at BLACKPOOL, 23rd to 25th May, 1935, adopted with one dissentient a resolution declaring: "This Council reaffirms its intention to press forward the policy adopted at Nottingham on 25th February, 1921, that a uniform national tax should be imposed on the capital site value of the whole country."

**1937.**—SIR ARCHIBALD SINCLAIR, in the HOUSE OF COMMONS, 20th April, 1937: "Surely the Chancellor of the Exchequer must feel he would be in a much stronger position now if he had not repealed the tax upon land which would now be yielding invaluable revenue for his purposes without a direct burden on industry." The reference is to the national land value tax enacted in Mr. Snowden's Finance Act, 1931. At LAIRG, 27th September, 1937: "Liberals would relieve the burden of rates and put it on land values. We hear a lot about derating. It is the derating of householders we want to achieve." In the HOUSE OF COMMONS, 27th June, 1939, Sir Archibald said: "The Chancellor of the Exchequer has ranged over the whole policy of the motor duty and discussed alternatives. . . . I am only sorry he did not mention one possible alternative, and that is the Taxation of Land Values."

**1939.**—The Annual Assembly of the L.P.O. at SCARBOROUGH, 11th and 12th May 1939, resolved unanimously reaffirming its conviction that "by the derating of houses and improvements through the policy of the Taxation of Land Values the cost of houses and improvements would be reduced and the purchasing power of the people increased. . . . It urges upon the Party leaders the need for putting this policy in the forefront of the Liberal programme as one of the most vital and far-reaching reforms necessary to achieve Social Justice."

SOME DECLARATIONS BY VARIOUS OTHER LIBERAL PARTY ORGANISATIONS URGING A NATIONAL TAX ON THE VALUE OF ALL LAND (T.L.V.) AND THE LEVY OF LOCAL RATES BASED ON LAND VALUES (R.L.V.).

**Scottish Liberal Federation:** Dundee, 26th November, 1897 (T.L.V. and R.L.V.); Dunoon, 7th October, 1911 (T.L.V. and R.L.V.); Dumfries, 6th and 7th October, 1922 (T.L.V. and R.L.V.); Stirling, 10th October, 1924

(T.L.V. and R.L.V.); Edinburgh, 25th April, 1925 (T.L.V. and R.L.V.); Glasgow, 10th October, 1925 (T.L.V. and R.L.V.); Greenock, 14th and 15th October, 1926 (T.L.V. and R.L.V.); Ayr, 20th and 21st October, 1933 (T.L.V. and R.L.V.); Aberdeen, 20th—22nd October, 1938 (R.L.V.); Edinburgh, 12th September, 1941 (T.L.V.); Glasgow, 25th September, 1942 (T.L.V.); Edinburgh, 6th October, 1943 (T.L.V.); Glasgow, 20th December, 1944 (T.L.V.); General Election Manifesto, 1935; the Book, "Scottish Land and Agriculture," 1938; the Leaflet, "Taxation of Land Values, What it Means."

**Scottish Liberal Party:** Edinburgh, 15th March, 1946 (T.L.V. and R.L.V.); 30th September, 1948 (R.L.V.), being evidence submitted to the Inter-Departmental Committee on Site Value Rating.

**Liberal Council:** London, 20th May, 1928 (R.L.V.); Leaflet, "The Right Way with the Rates," 1937.

**Liberal Publication Department:** The Leaflet No. 2,611, issued for the General Election, 1922 (T.L.V. and R.L.V.); the Leaflet (1927), "Taxation of Land Values, What it Means."

**Women's National Liberal Federation:** London, 5th June, 1912 (T.L.V. and R.L.V.); Southport, 6th May, 1925 (T.L.V. and R.L.V.); Margate, 13th October, 1937 (T.L.V.); Bath, 18th May, 1938 (R.L.V.); Leaflet for General Election, 1935.

**National Union of Liberal Clubs:** Leeds, 7th May, 1938 (T.L.V.).

**National League of Young Liberals:** Resolutions urging L.T.V. and R.L.V. adopted on numerous occasions.

**Union of University Liberal Associations:** Edinburgh, 4th to 6th July, 1939 (T.L.V. and R.L.V.).

**London Liberal Federation:** 13th January, 1930 (T.L.V. and R.L.V.); 23rd October, 1933 (T.L.V.); 16th October, 1943 (T.L.V. and R.L.V.); last named rejecting the Uthwatt Committee proposals.

**Home Counties Liberal Federation:** 20th March, 1948 (T.L.V. and R.L.V.).

**Yorkshire Area Liberal Federation:** 16th September, 1944 (T.L.V. and R.L.V.); 18th January, 1947 (T.L.V.).

Consult also: N.L.F. Pamphlet "Liberalism and Local Government," 1930; L.P.O. Report, "Fair Play for the Small Man," 1943; Harold Storey's "Economics of Land Values," 1913, and his "Liberal Handbook," 1923.

#### Letter from the late President of the L.P.O.

**Mr. Philip Fothergill**, in a letter to the *News Chronicle*, 16th November, 1950, wrote: "Every Liberal principle is violated by an Act (the Town and Country Planning Act, 1947) which imposes a direct and arbitrary penalty on enterprise and development. Firstly, its financial provisions must be repealed, which involves refunding development charges so far paid. Secondly, the Liberal policy of taxation and rating of land values must be adopted. To the academic planner it has the supreme disadvantage of being simple. It is recommended by Liberals on three grounds: (1) To give much-needed encouragement to development, by transferring rates and taxes from houses and buildings; (2) to meet the just claim of the community to share the benefits resulting from land values which are created by public improvements; (3) as a reform fundamental to the solution of the housing shortage."