

Municipal Corporation Conference for the Taxation of Land Values.

SPEECH BY MR. ALFRED BILLSON, M.P.

A meeting of the Association of Municipal Corporations was held in the Guildhall, London, on 26th March, 1898. Sir A. K. Rollit, M.P., presided.

EXTENDED POWERS FOR MUNICIPALITIES.

The chairman referred to the recent measure conferring extended powers to the municipality of New York, under which the government of the municipality is by two houses invested with legislative and executive functions, to include all ordinary municipal powers. Such legislation would form a precedent for this country, and Parliament and municipalities would benefit by such devolution of power.

LAND VALUES.

Mr. Billson, M.P., in proposing the resolution of which notice was given by the Halifax Corporation—"That in the view of the growing burden on the occupying ratepayers in urban districts, it is urgent to provide some means by which the owners of land (whether occupied or vacant) shall contribute directly to the local revenue," claimed the attention of the delegates on the ground that the resolution emanated from the Corporation of the important borough he had the honour to represent. The subject had been fully debated in the Town Council, and the decision in favour of a petition arrived at by a majority of 28 to 6. It was, therefore, obviously

IN NO SENSE A PARTY QUESTION.

There was one experience that he felt sure he might appeal to as universal among the corporations represented there, he meant the urgent need for further pecuniary resources. Every day new demands were made by communities, and these, often for most desirable objects, had to be rejected because of the extreme reluctance to increased pressure on the ratepayers—(hear hear). Rates were a tax on industry, and both large and small shopkeepers began to feel the burden intolerable. Where were they to look? Schemes were in the air for taxing personalty, for a local income tax, for local death duties, for more subventions. But the difficulty was to locate the source of revenue. Was a man to be taxed where he resided, or where he carried on business, or at the place from which his wealth was derived? The solution, he believed, was to be found in the rating of ground values—(hear, hear). This was essentially local property. Its value rose with the prosperity of the locality where it was situate. If you taxed industry, you tended to extinguish it.

NO LAND WOULD DISAPPEAR HOW HEAVILY YOU TAXED IT,

it would only be put to better use. At present the burdens of a town fell on the temporary tenant, while the funds for which it was raised increased the value of the land long after the termination of a tenancy and for all time. Five years ago it might have been argued against, because then land on succession by death was not liable on its capital value, and in fact paid nothing if it produced no income. The late Lord Sefton inherited 500 acres of land in the outskirts of Liverpool. It lay practically idle, and on his father's death, after long disputes in the law courts, it was finally decided that, under the law as it then stood, it was only liable in some £30 or £40 of duty. Shortly after it was sold for £500,000, the duty on which would have been some £40,000. And now, by the Budget Act of 1894, such property would pay on its full value. They remembered that the change was bitterly opposed by the House of Commons, but he believed that its reasonableness commended itself to all business men, and the country would not go back on it—(hear, hear). Well but

IF THEY HAD ACCEPTED THE POSITION

that land on death should pay on its capital value, and not only on the annual return, the immediate corollary was that, like all other hereditaments, it should be rated also on its annual value, *i.e.*, a fair percentage of its capital value, and not merely on the use the landlord chose to put it to—(hear, hear). His return was in the added value year by year,

and that return he should pay on, though he chose to accumulate it instead of putting it in his pocket. All the time he was waiting for his price, the other rateable property about had to pay higher rates, to pave, light, and sewer the streets, and bring around the population, the immediate effect of which was to add to the yearly value of the land which was paying nothing—(hear, hear).

IN HALIFAX IT HAD BEEN ESTIMATED that if unused building land were rated, the rates all round might be reduced by 1s. 6d. in the £. Mr. Billson then argued that the same rate was really applicable to land not used to the best advantage. If an owner chose to let it be occupied by tumble-down shanties producing little rates, when it was available for better property, to that extent it was unused land. See how they handicapped industry. Of two owners, one was enterprising and built on his land, employing labour and capital, and they fined him for his enterprise by making him pay rates, not only on the buildings he produced, but on the land he brought into use; whilst the lazy man, who waited to be made rich by the energy of his neighbours, they subsidised by letting him off the rates of the land they allowed him to keep idle. Yes, and if it could be deemed agricultural land, though in an urban district, they now positively contributed one-half of the small rates he did pay.

What was suggested was—(1), a separate assessment of land, with a rate of 4 per cent. per annum on its capital value, and of buildings according to their value; (2), prohibition of any contract shifting the burden on the land to the occupier. And it might well be argued that

A HEAVIER TAX SHOULD BE PLACED ON THE LAND

than on the building, because the building was of a wasting nature, was the product of industry, and because the land was the gift of nature, and increased in value apart from the exertions of its owner—(applause). The principle of this change had already been accepted by some 200 local bodies. At a meeting a week ago of 60 or 70 delegates from London Vestries at Battersea Town Hall, it was carried with only seven dissentients. The London School Board last week passed by 29 to 14 a resolution "that the rate should be so levied as to include some direct charge on the owners of site values. Were there time, and were that the proper place, he might enlarge on the important secondary effects that would result, in the direction of forcing more land into the market, and thus preventing overcrowding.

ONE OF THE STRIKING PARADOXES OF THE DAY

was that rich men lived on cheap land, and poor men had to live on dear land. Medical men knew that dear land meant overcrowding. Overcrowding meant sickness, loss of work and wages. And this meant poverty and pauperism. But his resolution that day was independent of these grave considerations. It asserted the need of a new source of local revenue, it sought to point to the land as the wise, the just, might he not say the natural source from which the new funds might come, and with that connection he confidently submitted the resolution which had been entrusted to him—(loud applause).

A lively debate followed on Mr. Billson's motion, which, in the result, was carried by an overwhelming majority.

Property in itself has nothing of an execrable or of a sacred character. Like every other large sociological fact there is and always been a reason for its existence; like them, it is destined to become changeable in proportion as the hearts and minds of human beings grow larger, in proportion as the feelings of justice grow more delicate, and social joint responsibility grows narrower.—*Letourneau.*

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Mr. Fletcher Moulton, Q.C., on Taxation.

(To the Editor of the Single Tax.)

STR.—After a careful perusal and re-perusal of your report of Mr. Fletcher Moulton's lecture on Taxation, I am still quite at a loss to understand his real position on this most elementary and fundamental political question. The basic principle of the Single Tax philosophy is that the land values of a country, being created by the presence and increased by the activities and public expenditure of the inhabitants, rightfully belong to the people of that country, not to some but to all. That just as the individual can equitably claim to be secured the full possession of anything and everything due to his industry, the community—or collection of individuals—can equitably claim to be secured what is due to its presence and industry, the unimproved value of the land it inhabits. This fund, our philosophy teaches us, furnishes the natural source of the common expenditure; and by appropriating it as it arises all necessary public improvements could be made, all necessary public expenditure could be defrayed, without infringing on the earnings, on the private possessions, of a single member of the community. Thanks to the rapacity and unscrupulousness of a well organised, omnipotent, land-holding minority, this natural revenue has for some generations, since the middle of the Seventeenth Century, been diverted from those to whom in equity it belongs, to enrich a privileged few; and the industry and limited earnings of the masses have been taxed to provide for the common expenditure. Moreover, this power to appropriate the earnings of the community has been treated as private property, has been bought and sold, gambled and speculated in, has been inherited by some, made "a medium of investment" by others.

It is now proposed that the natural revenues of the community shall be re-diverted into its natural channels—shall, in fact, gradually, slowly but surely, be appropriated for the benefit of those to whom it belongs, to the people to whose presence and activities it is due. And it is certainly somewhat astonishing to note an advocate of the only practical means by which this can be effected without injustice or shock; an advocate of a proposal which more than satisfies the aspirations of every practical Single Taxer, of a proposal which would virtually effect the reform we are aiming at, which would at once break down, if not landlordism, at all events land monopoly; it is somewhat astonishing, I say, to note an advocate of our practical measures look askance, as Mr. Fletcher Moulton seems to me to do, at the bold avowal of the basic principles by reference to which such a "revolutionary" policy can alone be defended. "Englishmen," he tells us, "if they are going to carry the nation with them, if they are going to get the support of those whose support is an honour, must be fair." This is true enough; and it is just because our proposals are based on the immutable principles of equity, of even-handed justice between man and man, that they inspire all honourable men who do understand them and who have really thought out what they do mean, with that zeal and enthusiasm which in a comparatively short time has brought our policy within the field of practical politics in almost every constitutionally governed country in the world.

But when he goes on to say—"Anything which chose to confiscate a particular type of property, without the whole of the people bearing the cost of it, would be unjust;" we must join issue with him. For it is tantamount to saying that it would be unjust to enfranchise a slave until he can afford to pay for his freedom; or to stop the ordinary avocation of a highwayman or pirate until his victims can afford to give him at least as much as he expected to be able to appropriate during the next thirty or forty years. As regards the grocer at the corner who, to protect himself against a greater robbery, has had to purchase the freehold of the site he is utilising, or the working men who have bought their houses, they, as workers, will be benefited, not injured, by our reform. And, in my opinion, we shall have a better chance of gaining their support by a bold avowal of our principle than by advocating our practical measures on the sole grounds of expediency.

In conclusion, however, I must thank Mr. Moulton for his lecture, and take the liberty of expressing the hope that his next lecture will be not on the incidents but on the principles of taxation. He may then ascertain that the only true principle of taxation is that each should contribute towards the common expenses of the community, not in proportion to his industry or his ability to pay, but in proportion to the privileges granted him by the community. And that the only tax in accord with this almost self-evident principle is the Taxation of Land Values, and that even though it may tend to eradicate "a particular type of property"—the property in the power to confiscate the property of others.—Yours, etc. L. H. BERENS.

ILKLEY, April 11, 1898.

Silence is frequently a duty when suffering is merely personal, but it is an error and a fault when the suffering is that of millions.—*Mazzini.*

The economy of the epoch imagines it has organised free competition, while it has but organised the oppression of the weak by the strong, of labour by capital, of poverty by wealth.—*Mazzini.*

What is it that labour wants? That the working man should be utterly independent of an employer. That it should be the employer who sought the work of the working man as a favour, not the working man who considered it a favour to receive employment.—*Ernest Jones.*