

THE BUDGET AND LAND VALUES

Comments and Criticisms

Mr Snowden's Wireless Speech

On 15th April Mr Philip Snowden delivered a wireless address from the London Station, explaining his Budget proposals (*Times* report). One section of his speech was devoted to the question of land values:—

"I propose this year to take the first steps to secure to the community some portion of the enhanced value of the land which is created by the community itself. If our ancestors had had the foresight and the wisdom to impose a duty on land values 100 years ago, what vast wealth that has fallen haphazard into the hands of private citizens would have been available for beneficent State purposes! The justice of the claim of the community to share in land values has long been to me a cherished conviction. That conviction is shared by two parties of the land. I am not, indeed, proposing to levy a duty on land values in this Budget. I am not even prejudging what the form of impost should be. Both the State and local authorities have claims to be weighed. That is a question which must come afterwards. First of all we need a valuation. It is only when site value of land has been ascertained—a lengthy process—that money can be raised. But we shall introduce a Valuation Bill for the ascertainment of the site value of land, and as soon as legislation can be passed we shall press on actively with the task of valuation so that this long-overdue reform may be inaugurated with the least possible delay."

Some Leading Opinions

In an interview published in the *Manchester Guardian* on 15th April, Mr Lloyd George said: "It is a straightforward Budget. If you increase expenditure you must pay for it. I would rather the Chancellor of the Exchequer had put land valuation into the Budget itself. In the form of separate legislation the Lords could perhaps reject it. I do not think that they will reject it, but they will amend it destructively by exceptions, limitations, reservations, etc. The Chancellor of the Exchequer could not have put land valuation into the Budget without putting on a nominal tax. That is what the 1909 Budget did—put on a nominal tax in order to justify putting it into the Budget."

Colonel J. C. Wedgwood, M.P.: "Land-taxers are bitterly disappointed with the Budget, because they do not believe that the Land Valuation Bill, which will be thrown out by the Lords even if it passes the Commons, is the right way of tackling the matter. Valuation Bills have been thrown out by the Lords before; for instance, the Scottish Land Valuation Bill. I do not think that even the Land Valuation Bill is likely to give a satisfactory valuation. The valuation clauses should have been attached to the Finance Bill, which must be passed by the Lords. It is easy to drop a Valuation Bill; it is impossible to drop a Finance Bill. It would then have been passed this year."—In an interview published in the *Manchester Guardian*, 15th April.

Immediately the Budget proposals were known, Mr Crofton Black, legal adviser to the Land Union, sent to the Press the following resolution, passed by the Council of the Land Union on 16th October, 1929: "At a meeting of the Council of the Land Union on

Wednesday, 16th October, 1929, the legislative policy of the Government, as expressed in its Election programme, was considered in detail. It was noted that the Labour Party had decided that taxation or rating of site values should be at once proceeded with. The Council resolved that, having regard to the disastrous effect on land development and housing caused by the Land Value Duties of the Finance (1909-10) Act, 1910, the Land Union would, as on previous occasions, resist to the uttermost any proposals for the taxation or rating of site values." Mr Crofton Black adds: "The Council adhere to this resolution and will act accordingly. We hope that all property-owners will come in and support us as on previous occasions."

Mr Andrew MacLaren, M.P.: "Our optimism has been shaken. His speech has left the single-taxer speechless. We can neither praise him nor damn him. He has thrown us into a comatose condition, and only vain hope keeps us alive for another year."—In an interview published in the *Manchester Guardian*, 15th April.

Mr Percy McDougall, the Hon. Treasurer of the Manchester Land Values League, expressed his appreciation of the Chancellor's announcement. "The Henry George propaganda of the last 50 years," he said, "is at last bearing fruit. If the valuation is well done, and applied to all land, we would be quite satisfied for the time being."

The certainty of taxation to come was bound in itself to cheapen land somewhat and, to that extent, to lighten the burden on productive industry and help to eliminate unemployment. The landowners would tend to come into competition with each other in abatement of age-long land monopoly.—*Manchester Guardian*, 15th April.

Most of the delegates at the I.L.P. Conference at Birmingham took a sternly critical attitude towards the Budget. But none of them seemed able to supply the "driving power" that we are led to expect from the "advanced" section of a Party. A resolution was passed in favour of the "appropriation of the full site value increment of urban and publicly developed land, and machinery to facilitate the early public ownership of all land"—whatever that may mean—but not a voice was raised in support of a straight tax on land values.

Press Comments

As for the steps he (Mr Snowden) is taking to secure the taxation of land values, we hope that the Bill to be introduced will justify his own life-long advocacy of this method of redressing social wrongs.—From a leading article in the *Daily Herald*, 15th April.

The *Daily News* (15th April) greets Mr Snowden's land valuation proposal as "the hint of a big fight to come."

We are glad to see that the Chancellor has accepted in principle the taxation of land values, and that he promises a separate Bill for the preparation of a valuation of all sites in the country with a view to the rating or taxing—or both—of site values. Now that the

principle has been accepted there must be no more footling in this matter, no dropping it when the preliminary work has been done, as was the case on the previous occasion when it was in the arena of practical politics. This is a form of taxation which will not injure industry, but will assist it, and if money must be raised it cannot be raised in a better way than by taking back for the community some of the earnings which it has put into the pockets of others by its united enterprise.—From a leading article in the *Wolverhampton Express and Star*, 15th April.

Members of Parliament of all Parties want to know why the Chancellor of the Exchequer changed his mind regarding the taxation of land values. The assumption is that the Government are counting on a clash with the Lords. There is reason to believe that the Government would not be averse to such an event as a preliminary to a General Election.—*Newcastle Evening World*, 16th April.

The Budget has been framed, some experts think, with the intention of keeping the Government in power as long as possible. With a land tax in the Budget, the Government would be in danger of serious defeat.—*Norwich Evening Star*, 16th April.

Mr Snowden may manage to avoid the snags and shoals which beset the course of Mr Lloyd George, but with this experience in mind, talk of "the preparation and completion of a valuation of all sites in the country" does not hold out a cheerful prospect.—*Western Evening News*, 16th April.

Mr Snowden is obviously looking to a tax on land values to provide additional revenue in the near future, but this proposal will give rise to keen controversy.—From a leading article in the *Liverpool Echo*, 15th April.

Mr Snowden's failure to include a straight tax on land values will disappoint a great many Liberals, as well as large numbers of Labour men, but he undertakes to introduce immediately a new Land Valuation Bill, which will provide a basis for the essential reform. Here, again, a fierce battle may be expected, for there is nothing that rouses the fighting spirit of the Conservative Party more surely than an attempt to obtain for the community the land values which the community has itself largely created.—From a leading article in the *Huddersfield Daily Examiner*, 15th April.

There is a rod in pickle for the landowners in the shape of the tax on site values, which the Chancellor proposes to deal with in a separate Bill.—*The New Statesman*, 19th April.

This year's taxes are, it will be observed, only an earnest of greater burdens to come. A tax is to be levied on land values, though the exact method in which it is to be collected has yet to be devised. Where any protection, however insignificant, has been given to British industry and to the British worker it is to be taken away.—From a *Daily Mail* leading article, 15th April.

Alliance between Liberalism and Labour, no doubt, underlies the revival of that dreary delusion, the taxation of land values. It is all of a piece with a Budget which may satisfy the sour sectaries of Radical and Socialist politics; but will discourage enterprise

and increase unemployment.—From the *Morning Post* leading article, 15th April.

The Liberals want some assurance that Mr Snowden is really in earnest in his references to the Taxation of Land Values. They are disappointed that this is to be dealt with in a separate Measure, for this will not only clog the Parliamentary time-table, but it will also expose the proposal to the criticism of the House of Lords. If the Land Values Bill is proceeded with the prospects of the Trades Disputes Bill becoming law this session will grow even more remote than at present for there is already plenty of work to occupy the attention of Parliament until the end of July.—*Times Parliamentary Correspondent*, 15th April.

The *Dundee Courier* (15th April), in a leading article entitled "Land Values," denounces the Chancellor of the Exchequer's move in the direction of land value taxation, which it describes as "one of the conditions of the mysterious concordat" between the Labour and Liberal Parties.

As matters stand, there is to be a Valuation Bill in the ensuing year, but this can be contested—as no doubt it will—in the House of Lords, and may mean a postponement, at least, of this method of raising money till the Socialists are out of the way.—From an editorial in the *Land Agents' Record*, 19th April.

It may be disappointing that (land value) proposals were not made in the Budget, but Mr Snowden is a firm believer in land values taxation. It is, as he said, a measure equitable in itself, incessantly demanded, and long overdue. "I am hopeful, nay confident," said the Chancellor in concluding his Budget speech, "that when I stand at this box next year I shall be able to submit to the House of Commons a much more cheerful and encouraging statement." May land values taxation play a part in making that more cheerful and encouraging statement possible.—From an *Oldham Chronicle* leading article, 18th April.

In its issue of 16th April, the *Western Daily Press* has a leading article on "The Taxation of Site Values," in which favourable comments are made on Mr Snowden's promise of a Land Valuation Bill.

A tremendous fight will open when the details of the new Bill come before the House. The Conservatives have always dreaded legislation which touches land, and their opposition to the Liberal Valuation, which was brought to an end by the war, will be readily remembered by those who took part in that historic political battle.—From the *Bacup Times* "London Letter," 17th April.

Two important London newspapers were quick to perceive the most significant passage in Mr Snowden's Budget Speech. The *Daily News* and *Daily Herald* of 15th April both announce the land valuation proposals in bold headlines.

In one respect Mr Snowden has undoubtedly presented a large section of the Socialist rank and file with a sore disappointment. It was confidently expected that he would reach out manfully for a land tax, and his gesture of merely equipping himself for this crusade is but poor consolation to enthusiasts for it.—*The Star*, 15th April.