

Other Alternatives make for Injustice

For refusal to take for public purposes the increasing values that attach to land with social growth is to necessitate the getting of public revenues by taxes that lessen production, distort distribution, and corrupt society. It is to leave some to take what justly belongs to all; it is to forego the only means by which it is possible in an advanced civilisation to combine the security of possession that is necessary to improvement with the equality of natural opportunity that is the most important of all natural rights. It is thus at the basis of all social life to set up an unjust inequality between man and man, compelling some to pay others for the privilege of living, for the chance of working, for the advantages of civilisation, for the gifts of God. But it is even more than this. The very robbery that the masses of men thus suffer gives rise in advancing communities to a new robbery.

Land Speculation and Industrial Depression

For the value that with the increase of population and social advance attaches to land being suffered to go to individuals who have secured ownership of the land, it prompts to a forestalling of and speculation in land wherever there is any prospect of advancing population or of coming improvement, thus producing an artificial scarcity of the natural elements of life and labour, and a strangulation of production that shows itself in recurring spasms of industrial depression as disastrous to the world as destructive wars. It is this that is driving men from the old countries to the new

countries, only to bring there the same curses. It is this that causes our material advance not merely to fail to improve the condition of the mere worker, but to make the condition of large classes positively worse. It is this that in our richest Christian countries is giving us a large population whose lives are harder, more hopeless, more degraded than those of the veriest savages.

The Simple Rule of Right

The darkness in light, the weakness in strength, the poverty amid wealth, the seething discontent foreboding civil strife that characterise our civilisation of to-day, are the natural, the inevitable results of our rejection of God's beneficence, of our ignoring of His intent. Were we, on the other hand, to follow His clear, simple rule of right, leaving scrupulously to the individual all that individual labour produces, and taking for the community the value that attaches to land by the growth of the community itself, not merely could evil modes of raising public revenues be dispensed with, but all men would be placed on an equal level of opportunity with regard to the bounty of their Creator, on an equal level of opportunity to exert their labour and to enjoy its fruits. And then, without drastic or restrictive measures, the forestalling of land would cease. For then the possession of land would mean only security for the permanence of its use, and there would be no object for anyone to get land or to keep land except for use; nor would his possession of better land than others had confer any unjust advantage on him, or unjust deprivation on them, since the equivalent of the advantage would be taken by the State for the benefit of all.

A SHORT HISTORY OF THE LAND VALUES MOVEMENT IN GREAT BRITAIN

Though *PROGRESS AND POVERTY* was published in the United States in 1879, it was not till Henry George's visit to Ireland, then in the throes of the land agitation, that his teaching began to attract any attention on this side of the Atlantic. In 1882 he addressed one or two meetings in Great Britain before returning to the States. About this time there was formed in London the Land Reform Union, a body doomed to speedy dissolution, being composed not only of believers in the teachings of *PROGRESS AND POVERTY*, but also of land nationalists of the Russel Wallace and Socialist type. But afterwards there arose the English Land Restoration League, which finally developed into the English League for the Taxation of Land Values.

On his return to Great Britain in 1884, Henry George addressed a great meeting in the Glasgow City Hall, an address which has been printed and circulated since under the title of "Scotland and Scotsmen," and at that meeting the Scottish Land Restoration League was formed.

This organisation, with Henry George as adviser and chief speaker, opened up the ground throughout the length and breadth of Scotland. In this early campaigning, Mr. Richard McGhee, now M.P. for Mid-Tyrone, Mr. David McLardy and Mr. Peter Burt took a prominent part. In the General Election of 1885, the storm raised by Henry George and the League subsided to a very great extent. On the back of the Highland and Irish land agitation, Mr. Gladstone brought forward his famous Home Rule for Ireland Bill, and the mind of the country was taken up almost wholly by this discussion, as students of history know, for the succeeding five years.

The Scottish Land Restoration League had done its work and had practically passed out of existence, but some of the

seed sown had fallen on fertile ground. The Missionary work was well sustained, particularly in Glasgow, by individual effort and by effort in minor organisations, and in August, 1890, Henry George, on his way home from his great Australian trip, inaugurated a new organisation. The meeting was held in the City Hall, Glasgow, and was in those days like a passing gleam of sunshine in the midst of much political darkness and despair. Since that time the new organisation now named the Scottish League for the Taxation of Land Values has been in constant and continuous activity.

The question of taxing land values was first brought before the Municipal Council of Glasgow, on the 17th February, 1890, when Mr. Peter Burt, who had entered the Council the previous November, got a motion passed expressing general dissatisfaction with the existing system of rating, and agreeing to appoint a committee to consider the whole question and report. Mr. Burt was appointed chairman of the Committee.

Evidence was taken at a number of meetings, and the Committee finally reported to the Council in favour of imposing a rate on land values and stated the general lines on which this should be done.

On March 16th, 1891, the Council considered this report of the Committee, and by a majority of 15 remitted the Minute of the sub-committee back for reconsideration and report. The Committee submitted another report on June 22nd, which was defeated by the casting vote of the Lord Provost. Mr. Burt, as chairman of this committee, was asked to give, and did give, evidence before the Town Holdings Committee.

In November, 1893, Mr. John Ferguson entered the Town Council, and during the next two years he was incessant

in bringing the question of the rating of land values before the Council in all kinds of ways. At this period the need for a paper to assist the agitation began to be felt, and the first number of LAND VALUES appeared in June, 1894. Ultimately, on the 17th June, 1895, the Council agreed, by a large majority, on the motion of Mr. Burt, to accept his former resolution and agreed to write to the various Local Rating Authorities in Scotland requesting their co-operation in petitioning Parliament for powers to rate land values. In this way the question of the taxation of land values was brought by the Corporation of Glasgow before all the Local Rating Bodies in Scotland.

In the following year, 1896, the Committee of the Corporation reported "that 62 Scottish Assessing Authorities, consisting of seven Town Councils, eight Police Burghs, one County Council, and forty-six Parish Councils had intimated their approval of making land values the basis of local taxation and their willingness to join with Glasgow in seeking the necessary powers from Parliament to give effect to it."

In October, 1896, the Council resolved to present the Petition, and in March, 1897, Mr. Ferguson carried the resolution in favour of promoting a Bill for the Taxation of Land Values—the "Glasgow Bill" as it has since been named.

The Council next decided to join with the Scottish League in holding a National Conference to promote the Taxation of Land Values. At this Conference, which was held in October, 1899, 216 of the 557 delegates present represented 116 rating authorities from all parts of the country. The council entertained the delegates and their friends to a reception in the Municipal Chambers. This remarkable conference marked a turning point in the history of the Land Values Movement in this country; it proved beyond a doubt that there was a great body of opinion in the leading municipalities of the land in favour of the reform; and it brought the movement at a bound from the propagandist stage into the political arena.

In April, 1902, Mr. Ferguson carried a motion that the Council convene a special meeting of representatives of rating authorities, which was held in London in October, 1902, the Lord Provost of Glasgow presiding. At this meeting a Municipal Conference Committee of twenty-five representatives was appointed to consider the future policy. A Bill applying to Scotland, and one applying to England, was prepared and promoted by the Conference Committee. Several conferences were held in London and one in Manchester.

We must now turn aside from the municipal agitation to follow the Parliamentary history of the movement. The first notable expression of approval for the principle of taxing land values to be found in a Parliamentary document was in the Report of the Royal Commission on the Housing of the Working Classes published in 1885*. This report, which was signed by many eminent men, including the late King Edward VII., then Prince of Wales, recommended that unused land in the neighbourhood of towns available for building should be rated on 4 per cent. of its capital value.

In 1894 a petition signed by 94 Members of Parliament was addressed to the Chancellor of the Exchequer, praying him to impose a budget tax on land values in his next Budget.

In 1895 Mr. Provand moved a resolution to the effect that:—

No system of taxation can be equitable unless it includes the direct assessment of the enhanced value of land due to the increase of population and wealth, and the growth of towns.

* The text of the passage in this report in favour of the rating of land values is quoted in full in LAND VALUES of October, 1913, page 175.

This resolution was agreed to without a division.

In 1896 a Royal Commission was appointed "to inquire into the present system under which taxation is raised for local purposes, and to report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure the result." The final report of the Commission was issued in 1901. The Commissioners were unanimous in their recommendation to treat as national the four services of Poor Relief (including the provision of Asylums), Police, Education, and Main Roads. This recommendation was afterwards adopted by the Land Values Group and incorporated in their Memorial.

The majority of the Commission were opposed to the rating of land values and suggested no change in the present basis of rating. A separate report, signed by Lord Balfour of Burleigh, Lord Blair Balfour, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart, recommended a special site value rate, small in amount, to fall in part upon the owners of sites and to apply to uncovered land and to unoccupied premises in town areas where there was a desire to adopt the principle.

In 1899 Mr. E. Morton moved an amendment to the address in reply to Queen's Speech regretting that there was no indication of measures "dealing with the ownership, tenure or taxation of land." In 1900 Mr. T. W. Nussey moved a resolution urging the Government to deal with the rating question; and on the 14th of May in that year Mr. Alfred Billson introduced a Bill for the rating of land values which did not proceed beyond the First Reading.

To return again to the municipal movement:—

We must record the fact that the Glasgow Town Council has continued unwaveringly to support and assist the agitation for the rating of land values. During the time of the struggle over the Budget of 1909 it passed three strong resolutions in favour of land valuation. The attitude of the Council has been largely due to the continuous spade-work put in by the Scottish League, especially in connection with the municipal elections. A striking illustration of the strength of the movement in Glasgow was the election of Mr. John Meir to the Town Council in November, 1910, and of Mr. W. D. Hamilton in the following November. In both cases the contests were uncompromisingly devoted to the appropriation of land values for communal needs.

The Bills promoted in Parliament by the municipal organisation for the Taxation of Land Values, constituted a most brilliant and well-directed part of the agitation. They were introduced in the House of Commons by representative Radical Members of Parliament, in a House Conservative Parliament. There were "full dress" Second Reading debates, which had the widest possible newspaper reports and editorial comment.

It was decided to introduce the English Bill first, and in 1902 Mr. Chas. Trevelyan brought his Bill forward. It was defeated on Second Reading by a majority of 71.

In 1903 a similar Bill applying to England was introduced by Dr. Macnamara, which was defeated on Second Reading by a majority of 13.

In 1904 Mr. Trevelyan again introduced his Bill, and this time to the amazement of the House and of the country, was carried by a majority of 67.

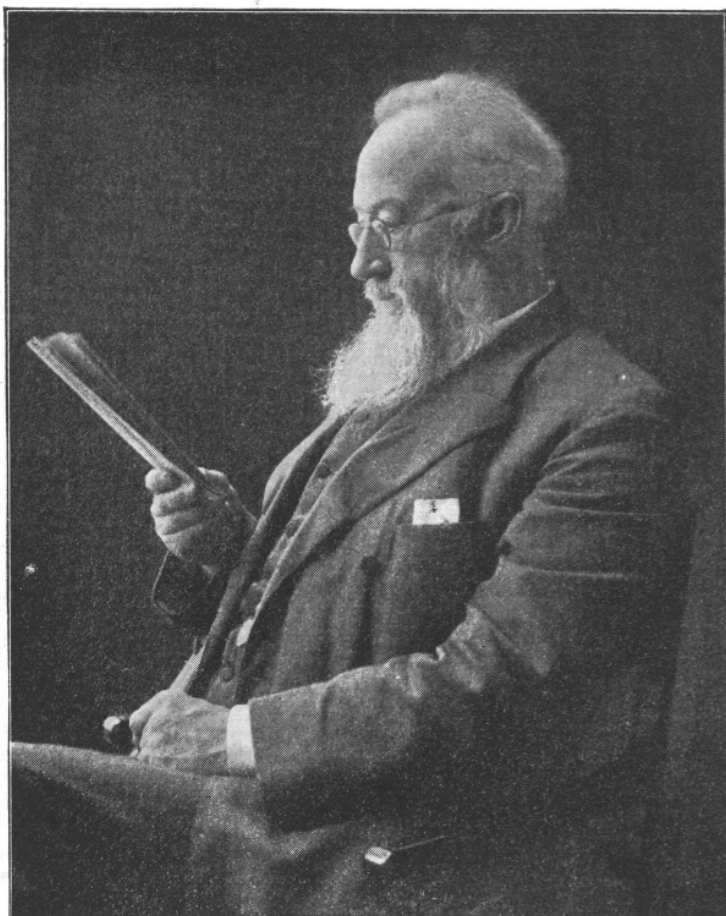
In 1905 Mr. Trevelyan once more introduced a Bill, and the Second Reading was carried by a majority of 90. These votes were taken, it must be remembered in a House of Commons when the Conservative party were in power by an overwhelming majority.

The Bill applying to Scotland, first promoted by the Glasgow Town Council and hence called "The Glasgow

Bill," was introduced by Mr. Caldwell, M.P., in 1904 under the title of the "Land Values Taxation (Scotland) Bill," but did not proceed beyond First Reading.

This Bill was re-introduced in 1905 by Mr. Ainsworth, M.P., and passed the Second Reading by a majority of 20 in a small House—143 votes for, and 120 against. The smallness of the House is accounted for by the fact that the Liberal leaders, including the late Sir Henry Campbell-Bannerman, were speaking at a party meeting in the country, and by reason of the fact that being a Scotch Bill a number of English Members were not sufficiently interested in the debate to take part in it, or even to register their vote for or against the Bill.

In April, 1905, the Scottish League convened a second Conference at Edinburgh, at which 57 rating authorities were represented by 98 delegates.



JOHN FERGUSON, 1836-1906.

At the Manchester Conference, held under the auspices of the Municipal Conference Committee, in November, 1905, it was resolved to promote a petition to the House of Commons praying for the passing of a Bill for the separate assessment and rating of land values. In February, 1906, a deputation of 150 representatives from 115 municipal bodies, presented this petition to the Chancellor of the Exchequer, Mr. Asquith, signed by 518 local rating authorities.

In a new Parliament, on the 23rd of March, 1906, the Bill applying to Scotland was again brought forward by Mr. Sutherland, Member for Elgin Burghs, and carried by a majority of 258—319 to 61. The Government agreed to appoint a Select Committee to consider the Bill and take evidence, and appointed Mr. Alexander Ure, K.C., now Lord Strathclyde, and then Solicitor-General for Scotland, Chairman of the Committee.

The Committee reported at the end of the year and in a masterly statement gave its unqualified approval to the principle of rating land values alone to the exclusion of improvements of all kinds, and recommended that the first step should be the passing of a Bill for the separate valuation of the land of Scotland.*

In the meantime it was thought desirable to bring pressure once more on the Government, and Mr. Wedgwood with some other members of the Land Values Group secured the signatures of some 400 Members of Parliament to a petition urging the Government to bring forward in the following session their promised legislation on the taxation of land values. The petition was presented on 18th December, 1906. The Prime Minister, Sir Henry Campbell-Bannerman, in his reply, pointed out that the full reform could not be carried out in a single measure and that this made it all the more desirable that the necessary valuation should be undertaken without delay.

In the following year a Valuation Bill, the Land Values (Scotland) Bill, was introduced, and passed the Third Reading by a majority of 139, but was rejected by the House of Lords. In 1908 the Bill was re-introduced and passed the Second Reading by a majority of 273, but was so mutilated by the House of Lords as to be nullified in effect, and it was therefore abandoned.

In 1906, when the Tories were swept out of office, to give place to a great Liberal majority, it was deemed advisable to form, independent of the English and Scottish Leagues, a United Committee for the Taxation of Land Values, composed of representatives from both Leagues; this Committee was formed in March, 1907, with offices at 11, Tothill Street, Westminster.

The House of Lords having twice defeated the Bill to provide for separate land valuation for Scotland, it was recognised by all concerned that it would be "beating the air": to promote a similar Bill for England, and an appeal was made to the Government to make the Taxation of Land Values a Budget measure. The United Committee were in complete agreement with Mr. Ure's striking report as Chairman of the Select Committee on the Land Values (Scotland) Bill and organised a great campaign of meetings for him. The agitation was vigorously extended in every direction. Conferences and demonstrations were held all over the country, addressed by Mr. Ure and others, and a Memorial was presented to the Government in

November, 1908, signed by 250 Members of Parliament and urging the inclusion of a tax on land values in the 1909 Budget.

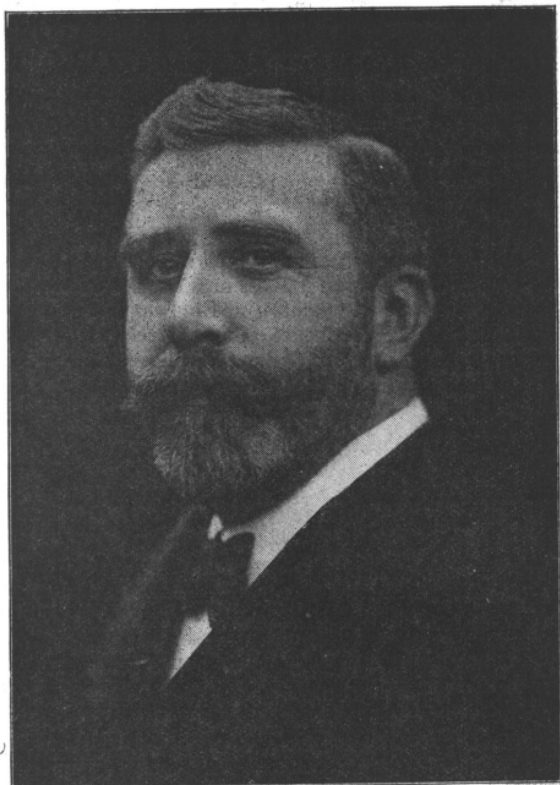
The Government responded to this appeal, and decided to levy a tax on some land values, which necessitated a valuation of the land. The Lords rejected the Budget because of the land clauses. The Government appealed to the country, and were returned at two successive elections to place the Budget on the Statute book and to curtail the power of the House of Lords.

* The report of the Select Committee has been reprinted by the United Committee as a penny pamphlet. Some of the most striking passages in it will be found in *LAND VALUES* of October, 1913, page 175.

The next step to be taken is revealed in the Memorial* presented in the first and only Session of the Parliament of 1910. This Memorial was signed by 134 Members of Parliament. The practical political proposals of the movement are expressed in the Memorial, and when it finds expression in the law of the land it will effect in Great Britain the greatest economic revolution the world has yet seen.

After the General Election in December, 1910, the Land Values Group gained a considerable accession in strength, and when the Memorial was again presented to the Prime Minister and the Chancellor of the Exchequer on the 18th May, 1911, it was signed by 173 Liberal and Labour Members of Parliament.

This great increase in the strength of the Group in the House of Commons was due for the most part to the work of propaganda and education carried on by the United Committee and the associated Leagues for the Taxation of Land Values which, owing to the generous



PETER BURT.

Who first raised the question of rating land values in the Glasgow Town Council in 1890.

support of many friends and particularly of the late Mr. Joseph Fels, reached its maximum activity in the years succeeding the introduction of the famous Budget of 1909-10. Space does not permit us to give a full account of the work done; but one fact may be mentioned by way of illustration—over 50,000,000 leaflets were printed and distributed all through the country. One of the most striking examples of the deep effect of this educational activity was afforded by the results of two by-elections in the summer of 1912, when Mr. E. G. Hemmerde was returned for North-West Norfolk and Mr. R. L. Outhwaite for Hanley by a remarkable majority in what appeared to those unacquainted with the potency of our propaganda to be an absolutely hopeless contest.

* The Memorial of the Land Values Group on Land and Taxation Reform is printed in LAND VALUES of October, 1913, page 176.

These by-elections made an enormous addition to the political strength of the movement, and it at once became apparent that the land question must be the dominant issue in politics. The Government reaffirmed its intention to deal with it at the earliest possible moment. The Chancellor of the Exchequer, Mr. Lloyd George, appointed an unofficial Committee to obtain an account of the "nature and working of the existing systems of ownership, tenancy, and taxation and rating of land and buildings." The reports of this Land Inquiry Committee, published in 1914, while making other proposals for dealing with the land problem, recommended the rating of land values as tending "to bring land into the market, and affording in both urban and rural areas an inducement to put it to its most productive use."

The Chancellor of the Exchequer inaugurated the land campaign at a series of meetings in the autumn of 1913 and spring of 1914. At the final meeting of the series, held in Glasgow on February 4th, 1914, he declared that the Government were pledged to the principle of taxing land values and that they intended to "make the land contribute to public expenditure on the basis of its real value." The Liberal Party began to set on foot a land campaign all over the country with the object of making that the issue at the next General Election, but the outbreak of war brought the agitation to a stop.

During the Land Inquiry the Land Values Group had not been idle. On April 17th, 1913, they presented to the Chancellor of the Exchequer a further Memorandum* amplifying the Memorial on Land and Taxation Reform, which contained detailed proposals for introducing the rating and taxation of land values and for modifying the Valuation now being carried out under the provisions of the Finance (1909-10) Act, 1910, so as to make it a suitable basis for their proposals. The Revenue Bill introduced in July, 1913, contained a section which would have gone a considerable way towards modifying the Valuation as the Group wished; but the Conservative Party insisted on an amendment which would have destroyed the usefulness of the Bill, from the point of view of the Group, and it was dropped. In the following year a Revenue Bill was introduced with provisions still more satisfactory to the Group, but it went overboard with all the other measures that had to be jettisoned on account of the war.

Ground-rents are a still more proper subject of taxation than the rent of houses. A tax upon ground-rents would not raise the rents of houses. It would fall altogether upon the owner of the ground-rent, who acts always as a monopolist, and exacts the greatest rent which can be got for the use of his ground. . . . Nothing can be more reasonable than that a fund which owes its existence to the good government of the State should be taxed peculiarly, or should contribute something more than the greater part of other funds.—(ADAM SMITH, WEALTH OF NATIONS, Book V., Chapter II., Part II., Article I.)

A tax on rent falls wholly on the landlord. There are no means by which he can shift the burden upon anyone else. It does not affect the value or price of agricultural [or any other] produce, for this is determined by the cost of production in the most unfavourable circumstances, and in those circumstances, as we have so often demonstrated, no rent is paid. A tax on rent therefore has no effect other than its obvious one. It merely takes so much from the landlord and transfers it to the State.—(J. S. MILL, PRINCIPLES OF POLITICAL ECONOMY, Book V, Chapter III, Section 2).

* The text of this Memorandum is printed in LAND VALUES of May, 1913, page 548.