



LAND & LIBERTY

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THE BUDGET AND LAND VALUATION

In this column last month we had a hopeful note to sound in expectation of a Budget tax on land values. It was in keeping with what had been said here and elsewhere again and again, since the General Election, a year ago, returned a Government pledged to give effect to the policy. If we were over-sanguine and drew inferences from speeches on the question which were not warranted, all we can say is that we were not alone in the misapprehension. The Chancellor of the Exchequer in his Budget speech admitted that land value taxation was long overdue, yet went needlessly out of his way to sneer at the "land taxers with one idea." We have heard this chaff before and expect to hear it again. In this instance the soft answer seems to be that if the legislation the idea speaks for is "long overdue," then to insist upon its importance is to the credit of its exponents.

But apart altogether from the impatient land taxers, the supporters of the Government in the Commons, countless thousands of their workers in the country, the municipal movement, the Press, and even the organized opponents of the policy, can be classed among the disappointed. The Chancellor of the Exchequer declined to reveal the secrets of his Budget beforehand, but where is the land reformer, or the alert politician, who did not expect it would provide for a tax of at least a penny in the £ on the capital value of land? Mr Snowden said he had been much impressed by the character and the magnitude of the demand of the local bodies for power to rate land values. We can say that very many giving service on the local councils were not at all impressed by his seeming procrastination, and even yet they are trying hard to account for the new time-table, though doubtless more in sorrow than in anger.

As usual when a land value measure gets the length of Cabinet consideration, we are invariably presented with an "overcrowded Parliamentary programme." This time it is slum clearance that

is urgent. It is amazing to find anyone still labouring under the delusion that there is hope in any such "reclamation," so long as land speculation exists. Slum dwellings, either in town or country, are but the more desperate phases of the housing question, and housing before land value taxation is putting the cart before the horse. The housing schemes of all three Parties in the State have proved costly failures. Over a million houses have been built, mostly by State aid, and the housing reformer passionately calls for another million and at rents that the poor wage-earner can pay. The housing schemes appear to have been carried out under the impression that it is a waste of time to consider the land blockade when it is evident that a Government to keep in position must pay heed to what so many honestly, but mistakenly, believe to be the real remedy! There is nothing exceptional in this line of approach; it is general and of itself accounts for the ever-expanding volume of unemployment, and for the precarious condition of industry and commerce.

Mr Snowden now gives the definite pledge that the Valuation Bill will be introduced without delay, and, further, that if it meets with hostility so to prevent its passing he will carry it with an impost in next year's Budget. The "one idea" that comes uppermost at this juncture is that the Chancellor might very well have assumed the hostility and placed the impost in his 1930 Budget. It was his chance: there are signs of stormy political weather ahead, and who can say what changes a year may not bring forth? The set-back is not the first of its kind the "long overdue measure" has encountered at the hands of the politicians during the past generation. It will be well for the stability of the State if it be the last.

But the mill will not grind with the waters that passed under the wheel last month, or last week. To-day and to-morrow is ours and we must now press for a sound and a simple Valuation Bill. In view of the places where taxation of land values is in operation, the framing of any such measure in 1930 should be child's play compared with the task in 1909. In those days expert witnesses before the Select Committee of the Commons on the Scottish Land Values Taxation Bill boldly affirmed that it was not possible to assess the value of land apart from improvements: any such witness to-day would be laughed out of court. This marks the progress that has been made in the interval. There is now available a wealth of relevant official data on the question which was not in existence twenty, or even ten years back. It should be at the disposal of Mr Snowden's Valuation Committee.

To ascertain the value of the land, we are told, is a slow process. In the absence of a suitable tax this is more than likely to be true. But there is no mystery in the art of valuation, though there is much misconception as to its essential requirements. A leading principle is that the valuer does not determine the value of any site; he merely registers it, and the process of making the valuation can be long or short, just as the impost necessary to approximate accuracy is withheld or put into practice.

This allowed, it is patent that the tax is the true

pathfinder to valuation, just as in a society like ours it is the true and only key to the door of opportunity. The approximately correct valuation will begin to emerge when there is a tax on land values, and not before. In the existing circumstances where the improver is penalised in taxation for his good works and the idler escapes, the value of much land is unduly depressed while other plots assume a speculative price which the tax will speedily reduce to the normal rent line, for the benefit of all industrial enterprise.

The Land Valuation Bill about to be introduced should embody a universal tax on the value of all land at a mere nominal rate, not so much or even at all for revenue, but as a connected part of valuation. The suggested tax would sharply define, separate, and identify the correct assessment. Valuation of land without a tax is valuation in the air: valuation is nothing unless at the same time it clearly aims at assessing a given contribution to public revenue. All assessments are based upon this principle. The tax would be the touchstone to effective valuation. If it were included, the Valuation Bill would become a financial measure against which the hostility of the Lords would be invoked in vain. The tax would serve better than any other equipment in helping the valuer to register the value of the land.

Mr Snowden in his speech on the debate (16th April) criticized his land tax friends as being very difficult to please. There are other questions, we were told, besides land value taxation. Very well. Take the question of unemployment: it is still as menacing as its early mitigation is urgent. The Lord Privy Seal continues to talk of his millions of pounds for all sorts of schemes to better the condition of employment, and the more money he visualizes for them the more aggravated the problem becomes. The Chancellor of the Exchequer has in plain English given the explanation: "The burden of rates is getting so heavy that municipalities and other local authorities are hesitating more and more to embark on works of public utility. . . . The taxation and rating of land values would secure public values for public purposes. It would relieve industry and agriculture, and liberate municipal enterprise. It would open the door to freedom for our municipalities to go ahead with schemes for promoting the health and well-being of the people."

The reform that would "open the door to freedom" and bring about such changes seems deserving of the first place in any programme. The other questions are, relatively, of no great importance, and for the reason that not one of them, nor all of them taken together, deal with the liberation of municipal enterprise, agriculture, or industry from the bondage of land monopoly. By comparison the liberating qualities of a tax on land values relegates all other questions to a subordinate position. Mr Snowden has said as much, in unqualified terms. As he has declared, the other questions besides putting burdens on industry "enrich the land-owners beyond the dreams of avarice." It is this glaring scandal, and the failure to deal with it as occasion offered, that has at this juncture made land taxers, as well as very many others not

defined as such, so ill at ease.

There is nothing in this Budget for the worker, nothing for any hard-pressed man or woman in any branch of industry, nothing to promote better housing, nothing to open one single door to additional employment. Land valuation may be the essential first step to land value taxation, but there is no magic in valuation by itself. The smallest impost would have joined the issue and brought new life and new support to the Government. That is what the "land taxes" in the 1909 Budget achieved for the Government of that day.

The justice and expediency of taxing land values is no longer denied by the great body of the people who suffer under the existing system of raising public revenue. The motor industry and the new roads necessary to cope with its expansion are daily providing arguments in every district for the public appropriation of this common fund. A small tax to begin with may be the line of least resistance. But when valuation is obtained we may be assured that the whole of this value and not a small share of it will be included in the orders of the day. If public expenditure on improvements maintains and enhances the value of land, it follows that this is the fund to pay for the improvements. There is nothing even in prejudice to withstand the logic of this "one idea," once it gains a hearing in any open forum of debate. With valuation "we can go with the current, fast and far; without, it is hard pulling and slow progress."

Who are they that are against the recognition of the rights of the community to its own earnings? They are those who profit by the existing system. The economic dispensation that favours them to the hurt of their fellows is a veritable gold mine that is all their own, and something more. In their case they can take the gold without the trouble of producing it. In their case the community provides the necessary labour and capital, and where this seems to be wanting the Lord Privy Seal is at hand to help them out with a plentiful supply of both men and money. It is the very mockery of political progress.

As Henry George observes (*Progress and Poverty*, Book IV, chapter 2): "It is a well-provisioned ship, this on which we sail through space. If the bread and beef above decks seem to grow scarce, we but open a hatch and there is a new supply, of which before we never dreamed. And very great command over the services of others comes to those who as the hatches are opened are permitted to say 'This is mine'."

It is this unstable and immoral distribution of wealth and opportunity that lies at the root of social and political unrest; and so long as it prevails there can be neither economic independence nor peace of any kind. It is in the very constitution of intellectual life and moral outlook that God's bounties are not for a few but for all. This is a truth that will not be for ever denied. The element of monopoly on which industry operates must be more sharply defined with a view to its complete subversion. This is the true meaning and purpose of land valuation. It stands for free trade in its fullness.

J. P.