

# LAND & LIBERTY

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## The Repeal of the Land Value Tax.

The publication of the text of the Finance Bill on 9th May, gave the first public intimation of the intention of the Government to repeal the Land Value Tax provisions of the Finance Act, 1931.

No mention of such action had been made by the Chancellor of the Exchequer in his Budget statement on 7th April, nor was any indication of it given in the subsequent debates. Even on the second reading of the Finance Bill no minister ventured to deal with the proposal, except the Financial Secretary to the Treasury, Mr Hore-Belisha, who dismissed the subject with irrelevant and cynical persiflage.

An emergency meeting of the Executive of the United Committee for the Taxation of Land Values was immediately called and passed a resolution exposing and denouncing this partisan proposal, and this was sent to the Press and to Members of Parliament, together with a statement summarizing the provisions of the Act of 1931 and surveying the present position. The Committee also issued a compilation of the Prime Minister's various utterances in favour of land value taxation, and the pledges given by him and by the Conservative leader, Mr Baldwin, that the National Government would not indulge in any partisan manoeuvring.

## The Prime Minister's Confession.

Evidently impelled by these statements to the conclusion that some declaration was required from him, the Prime Minister, who neither before nor since has condescended to make any explanation to the House of Commons, took the step of writing to the United Committee to defend the action of the Government.

The defence in brief was an assertion that the repeal of this legislation would pave the way for a future Government to introduce a more radical and comprehensive measure. More significant than this inept apology was the clear admission that the Prime Minister and his colleagues had completely surrendered to the vested interests, and that clandestine pressure from them had led to the unheralded clause of repeal being inserted in the Finance Bill.

The letter which (although dated 14th May) was only received on the 16th was sent to the Press together with a reply to it, after notice had been given to the Prime Minister that that course would be taken, and it appeared in most of the morning Press throughout the country on the 17th. The public have thus had an opportunity of forming their own judgment on the matter.

## A New Campaign Begun.

The wide publicity given to this correspondence, as well as to an earlier letter issued by the United Committee and the resolution of the Executive above referred to, was a striking proof of the public interest excited by the Government's decision to expunge the principle of land value taxation from the Statute Book.

Other indications of the public reaction to this proposal were the official amendment moved by the

Labour Party to the second reading of the Finance Bill, the resolutions passed by the Liberal Parliamentary Party and the National Liberal Federation, and the resolution adopted by the London County Council.

The closing of one stage in the chequered history of parliamentary action to secure to the people their right to the value of land marks indeed but the beginning of a new campaign to overcome the power of the vested interests.

## The Plight of the Farm Worker.

Startling examples of the condition of farm workers have been given at recent meetings. In Merioneth and Montgomery the minimum wage for adult men is 27s. a week of 54 hours. Men under 21 work 60 hours a week and receive even lower wages.—(*Daily Herald*, 25th April.)

Suffolk farm workers applied to the Agricultural Wages Board for an increase in the minimum wage of 29s., and for Boxing Day, Easter Monday, Whit Monday and August Bank Holiday to be holidays with pay. The applications were refused.—(*Daily Herald*, 15th April.)

At the Annual Conference of the Union of Agricultural Workers, held in London on 4th May, bitter complaints were made of low wages and of the dilapidated and insanitary condition of the cottages in which the workers had to live.

Mr. John Beard, secretary of the agricultural section of the Transport and General Workers Union, in an article in the *Daily Herald* on the previous day, pointed out that since 1931 the number of workers employed in agriculture had fallen from 996,081 to about 800,000. Some slight increases in wages had taken place, not amounting to more than about £30,000. He calculated that the farmers were receiving from wheat and sugar beet subsidies, de-rating, and increased prices of pigs, milk, wool, mutton and hops a total of £22,000,000 a year.

It might also be added that agricultural workers are losing far more in increased prices of commodities they have to buy than the amount of the slight increase in wages that has been granted in a few districts.

No wonder that the workers complain so bitterly.

Such are the fruits of the protectionist-quota policy of the Government, dominated by the false objective that the true end of public policy is to make prices high in order to enable landlords to maintain high rents.

## Allotments and Playing Fields.

From all over the country comes news of allotments and playing fields being sold for building and of the difficulty of obtaining land for such purposes at reasonable prices.

In Reddish the Barlow Fold Allotments have been purchased for building purposes. They are scheduled under a regional planning scheme for allotments, but the Corporation can only preserve the land for this purpose by buying it, and if they buy it they must charge a rent based on the purchase price.—(*Cheshire Daily Echo*, 11th May.)

At a recent meeting of Fareham Urban District Council a letter was received from the solicitors of the trustees of the Gillies Allotments, stating that their clients were proposing to effect a sale at an early date and inquiring whether the corporation would like to purchase the land to save 111 allotment holders from being dispossessed.—(*Portsmouth Evening News*, 2nd May.)

At Basford, Nottingham, the tenants of 100 gardens have been given notice to quit because the land is required for building purposes. The land has been used for this purpose for 60 years.—(*Nottingham Guardian*, 14th May.)

The City Council of Gloucester is contemplating taking a lease for seven years at a rent of £5 an acre of some 8½ acres to be let for allotments.

The *News-Chronicle* (2nd May) states that the spread of building development from outer London suburbs into the country has increased the value of land to such an extent that golf clubs whose leases are expiring are finding it increasingly difficult to renew them. The Middlesex County Council is urging local authorities to come to arrangements with local clubs by which the authority will become part owner of the course, so that the Council may have control if the club is unable to carry on.

These cases which have come to our notice at random during the course of one month indicate how false is the cry that land value taxation would prevent the use of land for allotments and playing fields. It is the present system with its speculation in land value—carrying a fictitious "building value" far beyond the outskirts of the towns—which closes opportunities for their extension and renders their tenure uncertain. Land value taxation by bringing the price of land down to its true level would remedy all that.

#### Scottish Land Hunger.

The annual report of the Department of Agriculture for Scotland, recently published, shows that the total number of applications for holdings received by the Department since 1st April, 1912, numbered 26,416. Of these 6,249 had been satisfied, 11,418 had been withdrawn and 8,749 remained outstanding.

It thus appears that the number of applications still effective and unsatisfied is more than the total number which the department has been able to provide for during the whole of this long period. The impossibility of settling people on the land under our present economic system could hardly be more effectively demonstrated.

#### "Dunlops."

As a rule the merchant prince is so prejudiced (rather than ignorant) that company chairmen are able to evade all remarks of economic value or interest at their meetings. Dunlop speeches are different, for this business is part exploiting and part industrial. Sir Eric Geddes at the 1934 meeting on 16th May gave most valuable testimony to the "Malaya labour difficulty," which is that wages rise owing to just agrarian laws even in these days. "The native pays his labour by giving a share—usually half of the crop, a scale considerably in excess of what the estate can afford to pay. The consequence of this labour shortage has been a continuous and substantial rise in the price of labour throughout the year, yet in despite of this, our f.o.b. cost for the year bears even with that of the previous year, namely 2.17d. per lb." As with Ford experience, higher wages (as in Denmark) due to just laws give greater efficiency of labour. This 2d. rubber is, it seems, to be sold at 1s. a lb., and one critic suggests 5s., though 1d. a lb. means hundreds of thousands of pounds sterling to be exacted from Dunlop customers. It is strange that Sir Eric is not a Georgeist!

## NOTES AND NEWS

Speaking in the House of Lords on Lord Salisbury's Bill for the Reform of the House of Lords on 10th May, the Archbishop of Canterbury said:—

"I have been a member for 25 years, and I have repeatedly observed that when matters of grave public importance, as foreign politics, disarmament, or social policy such as the housing of the people are discussed there is a comparatively small attendance, and a large attendance is only obtained when your Lordships' interests are affected or a clear party issue is involved."

His Grace probably had in mind the occasion in 1909 when 350 peers came to the House of Lords to take the unprecedented step of voting against the Budget, and when he himself was one of the minority of 75 who voted in favour.

Let there be no doubt about it. The landowners are those who will ultimately become the chief beneficiaries of the marketing schemes, not because they are rapacious, but because farmers will be willing to pay more money to get land to farm. No answer has ever been given to this argument, because there is no answer.—The Agricultural Correspondent of *The Star*, 11th April.

"Ah," said the veteran, "you're like all the rest—topsy-turvy. Stow your medical contraptions below, not in your cap. Fundamentally unsound—like our economic policy. I must give you my latest pamphlet on the subject. Read the literature published by the Henry George Foundation. Sound economics means sound thought, which results in sound habits, and is reflected in sound actions."

"No lectures aboard this ship," the doctor reprimanded. "We're at sea now—far from the madding crowd."

The veteran nodded; his face wrinkled. "Ay; we're all at sea, right enough—following vested interests, instead of the eternal verities."—From "Easter Week-End," by L. Luard, in the *Yachtsman*, 28th April.

It is urgently necessary that the Government should tackle the road problem upon a comprehensive scale. Experience has shown that carefully thought out expenditure upon road work is definitely remunerative. It increases the assessable value of areas served by never less, and usually much more, than the actual money disbursed.—Wallace E. Riche, of the Roads Improvement Association, in the *Sentinel*, Transport News, March, 1934.

No doubt Mr Riche also deplores the repeal of the Land Value Tax.

Dealing with the acquisition of property under the Housing Acts, Lord Balfour of Burleigh, in the House of Lords, on 18th April, said:—

"I have found that there is a definite class of landlord who makes a profit by purchasing property which has been already marked out for demolition by local authorities. That struck me as being a remarkable thing."

Lord Balfour included in his category of "sharks" those landlords who merely drew rents and did not concern themselves with the condition of their property and those who purchased working-class houses merely to make a profit on the site value when the time was ripe for selling.

Lord Balfour's father was Chairman and one of the minority of the Royal Commission on Local Taxation who in 1901 reported in favour of the rating of land values. We suggest to him that an application of that proposal will do more to solve the housing problem than all the Housing Acts which have since been passed.

Mr Pavlos Giannella took part in the recent meetings of the Pan Europa conference at Vienna in the section dealing with "Combating Unemployment." The *Neue Freie Presse* wrote: "Mr Giannella emphasized the necessity of basing the taxation of industry on its rentability. He envisaged the ideal tax as a tax on land-value which would bring into account the actual value of the land."

## THE PRIME MINISTER'S ADMISSION

"It may be argued that the step which has been taken indicates the power of certain interests."

(Correspondence between the Prime Minister and the Secretary of the United Committee for the Taxation of Land Values.)

10 DOWNING STREET. 14th May, 1934.

DEAR SIR,

I have received a letter which you are sending to the Press about the repeal of the Land Value Tax. I anticipated that this proposal would give an opportunity of raising the whole question of Land Taxation although, as a matter of fact, it is not raised in the decision itself. The clauses have never been put into operation and were suspended as one of the first acts following upon the crisis which led to a change of Government. It may be argued that the step which has been taken indicates the power of certain interests, but it is not in accordance with truth to describe the effect of what is being done as "staying a reform that has been repeatedly endorsed by democratic majorities and insistently demanded by hundreds of municipalities." A Government which was determined to "take drastic and energetic steps to put into operation the taxation of land values" would have to proceed to legislation, as the clauses that have been in suspense for years, largely owing to amendments which the Chancellor had unwillingly to accept from both Liberals and Conservatives, were not sufficiently full to enable a great deal to be done.

I am, Yours very truly,

J. RAMSAY MACDONALD.

A. W. Madsen, Esq.

*Reply.*

94 PETTY FRANCE, S.W.1. 16th May, 1934.

The Prime Minister,  
10 Downing Street, S.W.1.

SIR,

I have to acknowledge with thanks the receipt of your letter of the 14th instant. The statements to which you refer were contained in a resolution adopted by my Committee on the 11th May. It was in the following terms:—

"The United Committee for the Taxation of Land Values registers its emphatic protest against the unwarranted decision of the Government to repeal the Land Value Tax. Claiming to be 'National' the Government has clearly revealed, in its surrender to the landed interests, who are the real masters of this Parliament. Against the public interest, it proposes to stay a reform that has been repeatedly endorsed by democratic majorities and insistently demanded by hundreds of British municipalities. The Taxation of Land Values as the means to solve the problems of unemployment and poverty is more urgently needed than ever. The issue now raised in acute form calls for a determined agitation to reverse this set-back to democratic aspirations and to place in power a Government, free from the trammels of privilege and monopoly, which will take drastic and energetic steps to put into operation the Taxation of Land Values with the least possible delay."

The action of the Government in repealing the Land Value Tax cannot be explained except upon the reasons that are stated in our resolution. Confirmation

of our views is conveyed in your own observation that "It may be argued that the step which has been taken indicates the power of certain interests." No one can know better what influences have been brought to bear than yourself as Prime Minister.

The latter part of your letter seems to imply that the repeal of the Act can be justified as clearing the way for the introduction of more comprehensive and drastic proposals for carrying out the principle of Land Value Taxation; but the public can be left to judge what has been the real motive. Legislation passed by the previous Parliament is being destroyed without any mandate from the electorate and in despite of your own emphatic declaration that as head of the National Government you would not be associated with any "partisan manœuvring."

As your letter is a comment on a resolution which as you mention has been communicated to the Press, I propose to make it public also, together with this reply.

Yours faithfully,

A. W. MADSEN.

This correspondence was printed in the principal daily newspapers throughout the country. One or two papers chose to pass it over in silence, notably "The Times" and the Liberal "News-Chronicle." These papers joined in burking the discussion. In the words of Leo Tolstoy "the chief weapon against the teaching of Henry George is that which is always used against irrefutable and self-evident truths. This method, which is still being applied in relation to George, is that of hushing up."

## NATIONAL LABOUR ATTITUDE

We take the following from the *News-Letter*, 26th May, the organ of the Labour Group supporting the Prime Minister and the National Government:—

"The Government's first thoughts in the matter of the Snowden Land Tax clauses were so clearly wise that it seems regrettable that they should have been revised this year. . . . The clauses could not, in fact, have been revived unless a House of Commons favourable to the taxation of land values were elected; and, if some future House wishes to tax such values, it will tax them whatever be done in this particular Finance Bill. Indeed, it is likely to tax them more vigorously than the Snowden scheme in its final form would have done. For, as a result very largely of Liberal pressure in the last Parliament, the taxation proposals were so mutilated that their yield could only have been very small.

"The damage of this year's change of front is not so much practical as political. . . . Everyone knew that this was a point on which its supporters could not be expected to agree, and on which, therefore, having regard to the much larger issues on which they did agree, they would have to give and take. . . . As things are now, every critic of the Government who wishes to deny the justice of its claims to be National—and the charge that it is merely Tory in disguise is the common coin of almost every Opposition speech—has been made the needless present of a useful argument."

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### "ONLY A PENNY"

Experience has taught me . . . that wherever the idea of concentrating all taxation upon land values finds lodgment sufficient to induce consideration, it invariably makes way, but that there are few of the classes most to be benefited by it, who at first, or even for a long time afterwards, see its full significance and power. It is difficult for working men to get over the idea that there is a real antagonism between capital and labour. It is difficult for small farmers and home-stead owners to get over the idea that to put all taxes on the value of land would be to unduly tax them. It is difficult for both classes to get over the idea that to exempt capital from taxation would be to make the rich richer, and the poor poorer. These ideas spring from confused thought. But behind ignorance and prejudice there is a powerful interest, which has hitherto dominated literature, education, and opinion. A great wrong always dies hard, and the great wrong which in every civilized country condemns the masses of men to poverty and want, will not die without a bitter struggle. —Henry George in *Progress and Poverty*, Book VIII, chap. II.

Step by step the Government has carried out Conservative policy, starting with the general Tariff and hastening along to high Protection with its accompaniment of Imperial preference, the wheat subsidy, quotas and restrictions, trade treaties for tying up commerce, and marketing boards, all for the raising of prices and the creation of monopolies in the sale of food. It was a National Government, so-called, that was framed and formed in the days of crisis and panic, and its call for "equality of sacrifice" has since been turned to account in a large-scale shifting of taxation upon the general mass of working people.

A great legislative measure had been put on the Statute Book by the Labour Government in the passing of Mr Snowden's Finance Act providing for a tax on land values, but it was not allowed to come into operation. The crisis and the panic which so suddenly burst on the scene, when a hand had been laid upon the land monopoly, conspired to make still more secure the privileges attached to the private ownership of land. To the politicians who have to play the party game, this latest action of repealing the land value tax is the final proof that the Government is a purely Tory administration. They have a bigger stick than ever with which to hammer the point home. The protests came late in the day from those who were members of the Government when this legislation was suspended, silently consenting to that sacrifice. But what does it matter that the Government must now or at any stage in its career pin the true label upon itself? What does it matter that the Prime Minister, who had so bravely said he would suffer no partisan manœuvring, is "finally humiliated"? What matters is how the politicians, who engage in these bickerings, stand in respect of the principles and the issues that are at stake. They would serve their country a deal better if they

would make that clear, having done with pronouncing judgment on the Government for its betrayal or Ministers for their complicity. The public are not interested in the game of making political capital out of turncoats and dissemblers. They are interested in knowing what the critic or accuser has himself to put forward for solving the problems of unemployment and poverty, for removing the obvious injustices in society and making life happier and sweeter all round. What is wanted is the positive statement of a clear-cut and radical policy leading in these directions.

The much humiliated Prime Minister wrote in his *Social Movement*, published in 1911, that the only just repository of land values was the communal exchequer. "They are the natural sources from which the cost of government and the development of communal action ought to be met . . . The community has created the values, and it needs them in order to continue a free existence. But to-day they are handed over to private individuals who are parasitical sharers in the national wealth." The question is not whether or why Mr Ramsay MacDonald has forsaken these principles. The question is whether the statement is true, and if so, what action shall be taken?

The strange phenomenon of poverty in the midst of abundance is explained by the Prime Minister in a further statement in the same book: "The owner of land is thus in the position of a man who holds the keys of life, and he constantly can exact a maximum toll as his price. He does so. Rent, therefore, tends to absorb every social improvement that can be turned into an advantage in the exchange market." That being true, the remedy is simple and just. It is to appropriate this public fund, this rent of land, for public purposes and the practical method is to concentrate taxation upon the value of land, correspondingly remitting the taxation that is now levied upon trade and industry.

The Snowden Act of 1931 initiated that policy with a straightforward tax on the value of land apart from buildings and improvements, but exempting, from both taxation and valuation, minerals and land that had no higher value than for purely agricultural purposes. These and other exemptions, such as land owned by the railway companies and remission of the tax where it did not exceed 10s. a year, were serious defects against which the land values movement made most vigorous protest. In regard to the exemption of agricultural land Mr Snowden had no alternative except to drop the Bill altogether. Powerful deputations from both Labour and Liberal Parties in Parliament had intimated that no tax on agricultural land would be countenanced and even to-day the programmes of both parties put agricultural land outside the scope of their land value tax proposals. They contain the reactionary policy of land purchase at public expense, drawing an arbitrary line between one kind of land and another that would treat land value as absolute landlord property in the one case, and as communal property ripe for taxation in the other case.

As the Bill passed through the House of Commons further exemptions and concessions were given which we deplored, alike with those that were in the Bill as originally introduced. But with all these alterations the valuation of the land was not affected, the valuation that promised so much for future developments and was by the same token so feared and so unrelentingly opposed by the vested interests.

The Act being on the Statute Book could have been put readily into operation. Its faults in those exemptions and concessions could have been quickly remedied, and its provisions extended by amending legislation to embrace all the land that it exempted. That is what its

opponents saw. Its provisions were sufficiently full to enable a very great deal to be done. The Prime Minister in his letter to us seeks to justify the repeal with the excuse that the next Government desiring to tax land values, and determining to take more drastic and energetic steps than hitherto, would have to pilot a fresh Bill through all its stages in the House of Commons. We can hope that when action is taken again, the provisions will be more drastic and the procedure for valuation more energetic, but the Act now to be repealed was the instrument, only needing to be perfected, by which with far less trouble land value taxation could have been universally applied for both national and local purposes.

"Don't be deluded," Mr Baldwin said at Southampton on 15th June, 1931, as protagonist-in-chief against the Snowden Bill, "by the mention of a 'penny in the pound.' You must remember that a penny in the pound which is now spoken of, and which may reach any figure you like, is on the capital value and not on the income." It was in the same speech that Mr Baldwin said: "If we (the Conservatives) get back to power that tax will never see daylight." As we have already observed, the Conservatives have been in power all along, behind the façade of a National Government, and the deed has been accomplished in good season with by-elections showing how the tide has turned and a General Election possible at any moment. But what we draw attention to is the warning that there was far more in that legislation than "a penny in the pound." It was repeated by many spokesmen and agencies of the landed interests. According to the *Morning Post* of 18th June, 1931: "The machinery which the Socialists are setting up with Liberal aid is the most potent weapon that those who are the declared enemies of society as it exists to-day could possibly have. The tax as at present proposed is only a penny in the pound but it establishes a principle which will enable any Socialist Chancellor to tax property owners out of existence with little more than a stroke of the pen." The *Worcester Daily Times* of same date put it well: "It is obvious that we have to face not only the inevitable raising of the initial penny rate of national taxation on the land but we must also face a further municipal tax on it as well if Mr Snowden's land tax proposals become law." And the Association of British Chambers of Commerce in a statement reported on 19th June, 1931, declared: "There is no guarantee that the tax will stop at one penny or that the valuation will not be used for collecting rates."

The Taxation of Land Values is the most potent weapon for the rebuilding that is necessary. We will not quarrel with the *Morning Post* as to who are the enemies and who are the friends of society. Here is the testimony that the Land Value Budget of 1931 held forth promises and prospects of a far-reaching character. The advance of the thought on which it is based is not halted by this temporary success of its opponents. There is the stimulus of seeing the opposing forces once more out in the open, and it is for us to work with all the more confidence and determination to overcome them.

A. W. M.

**The Only Way out of Unemployment.** By H. G. CHANCELLOR, Ex-M.P.

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## NOTES AND NEWS

The coal mining industry in England, Scotland and Wales realized a credit balance of £2,177,540, or an average of 2·83d. per ton, on commercial disposals during 1933, according to the annual statistical summary on output which was issued yesterday by the Mines Department.

The saleable coal raised aggregated 200,163,224 tons, of which 184,894,795 tons were disposable commercially. The cost of procuring this coal averaged 13s. 3·76d. per ton, and the price realized averaged 13s. 6·59d. per ton. The net costs were £123,079,404, and the proceeds £125,256,944.

Losses were experienced in Scotland, Northumberland, Durham, and South Wales and Monmouth, but there were favourable balances in the other areas. The number of workpeople employed was 737,326, and the earnings per man shift averaged 9s. 1·54d.—*Glasgow Herald*, 18th April.

Royalties amounted to about 5½d. per ton, almost double the credit balance.

The arbitrator has fixed the price of 71·9 acres of land adjoining the Ford Housing Estate which the Sunderland Corporation require for housing purposes, at £10,965.

At the arbitration, Mrs R. M. Scurfield, owner of the land, put in a claim for £25,000. The District Valuer valued the land at £5,500.—*Sunderland Echo*, 5th May.

*Glasgow Herald*, 28th April, reports: "The shooting season in the Highland deer forests this autumn may see greater activity than has been the case during the past few years of international commercial depression. In notes on "Forest and Moor" a contributor states that an increased demand for deer-forest lets is already apparent. Inquiries are being received from America, the Continent, and England, and it is almost certain that an increase in the letting will result." What about the World Depression?

According to the report of a Committee on Housing appointed by the Secretary of State for Scotland there are 74,000 houses in Glasgow overcrowded on the basis of more than two persons per room.

Ratepayers of Canford Cliffs, Branksome Park and Sandbanks attended a crowded meeting at Canford Cliffs Village Hall to protest against the increased and "excessive assessments" of their property recently made by the East Dorset Assessment Committee "over the head of Poole Borough Council." A strongly-worded resolution was passed. Sir James Marchant, who presided, said that the action of the East Dorset Assessment Committee was high-handed and extraordinary.—*Morning Post*, 12th May.

Is the Assessment Committee to blame, or is it the present system of local rating?

An inquiry was held at Norwich on 24th May on an application by the City Council for a compulsory order for the purchase of some acres for allotments. The land is at present let to the Council at a rent of £28 a year plus rates, and is divided into allotments from which the Council receives £52. A price of £700 was suggested by the Council, but the owner asked for £1,785. The inquiry was adjourned to see if the parties could come to terms.—*Eastern Daily Press*, 25th May.

Messrs Jackson, Stops and Staff, of Northampton, have completed the sale of a block of farms, smallholdings, and cottages, situate near Kington, Warwickshire. The total area is about 630 acres.

The property has been sold for investment, and not for breaking up. The firm report that they are finding an improving demand for property for investment, and English land is attracting increasing attention from investors.—*Banbury Guardian*, 3rd May.

The annual report of the Chief Public Assistance Officer of the Fife County Council showed that during the past year the total number of applications for able-bodied relief was 4,012, including 1,726 colliery workers and 403 agricultural workers.—*Glasgow Herald*, 5th May.



## CREDIT REFORM OR LAND REFORM?

By Douglas J. J. Owen

Readers of Henry George's work, *Progress and Poverty*, are struck by its anticipation of the problems of the future. Written in 1879, this book spoke not only for its own day, but for our day, too. Some people betray their ignorance of the book by saying they have got beyond Henry George. Among these are the advocates of currency theories and schemes for manipulating credit.

Reform of credit and monetary systems as a cure for poverty is not new. Henry George was aware of these plans and had seen many of them tried and fail in the United States, that land of experiments which was his home. He saw the weakness of these attempts to cure poverty by changing the token of wealth without increasing the production of the real wealth which the tokens represent.

Right at the beginning of *Progress and Poverty* George says: "We have been told that the prevailing depression is due to overconsumption; upon equally high authority that it is due to overproduction; while the wastes of war, the extension of railroads, the attempts of workmen to keep up wages, the demonetisation of silver, the issues of paper money, the increase of labour-saving machinery, the opening of shorter avenues to trade, etc., etc., are separately pointed out as the cause by writers of reputation."

### CONSCIOUS OF A WRONG

We thus see that in George's time, the silver and money questions were considered the causes of distress by many people. The remedy also was sought for in the same wrong direction. Henry George goes on to say: "While professors thus disagree, the ideas that there is a necessary conflict between capital and labour, that machinery is an evil, that competition must be restrained and interest abolished, that wealth may be created by the issue of money, that it is the duty of government to furnish capital or to furnish work, are rapidly making way among the great body of the people who keenly feel a hurt and are sharply conscious of a wrong."

*Progress and Poverty* shows the fallacies underlying the economic reasoning of that day, which still persist in our own time. "The idea that wealth may be created by the issue of money" is the error at the root of all currency and credit reforms that ignore the land question. What the masses suffer from is the lack of real wealth, not the lack of credit, or even money. This real wealth is continually being produced by the workers, but credit reformers think that by giving the workers a larger credit or a bigger supply of claims upon wealth, the transfer of real wealth will be effected. All experience proves the fallacy of such reasoning.

### NOT TRULY WEALTH

Henry George says in his chapter on "The Meaning of the Terms": "Bonds, mortgages, promissory notes, bank bills, or other stipulations for the transfer of wealth, have an exchange value and are commonly spoken of as wealth . . . but they are not truly wealth, inasmuch as their increase or decrease does not affect the sum of wealth. Increase in the amount of bonds, mortgages, notes or bank bills cannot increase the wealth of the community that includes as well those who promise to pay as those who are entitled to receive."

This fact applies to the latest schemes for manipulating credit or the issue of money tokens. Some may benefit from public loans or by the issue of credit instruments guaranteed by the public taxing authority, but ultimately the burden of such schemes will fall upon the already overburdened taxpayer. Henry George, while exposing this fallacy, advocated that existing taxes should be abolished and replaced by a tax upon the value of all land. Such a scheme has none of the defects of Credit Reform.

Furthermore, George pointed out that poverty existed then, as it exists to-day, under conditions that vary widely with regard to currency and credit systems.

"Look over the world to-day," he says. "In countries

the most widely differing—under conditions the most diverse as to government, as to industries, as to tariffs, as to currency—you will find distress amongst the working classes; but everywhere that you thus find distress and destitution in the midst of wealth, you will find that land is monopolized."

### NO CURE FOR DISTRESS

Therefore, neither currency nor credit causes will cure our distress and give employment and prosperity. The common factor under all social systems is land monopoly, and until that is cured there can be no cure.

There are three fallacies abroad to-day as in Henry George's time, and they are exposed in his work. He speaks of "that fruitful source of economic obscurities, the confounding of wealth with money." George also speaks of "the confusions of thought which arise from the habit of estimating capital in money." This fallacy was the Mercantile theory—that commerce is the exchange of commodities for money, which still underlies our new Protectionism, with its quotas and tariffs. The third fallacy was the idea that capital limited or determined industry; that the possession of capital in the form of bank credits, shares, tokens or other credit instruments gives its possessor power over labour and productive industry; that capital, including credit and currency, employs labour and pays wages. This is the Wage Fund theory, which underlies modern Communism and Marxism as well as the Douglas Credit and other currency movements.

### THE ONLY LIMIT

*Progress and Poverty* exploded the Wage Fund theory and shows that it is labour that pays its own wages and employs capital, instead of vice versa. George shows in great detail, and with many graphic examples, that the only limit to industry is access to natural resources. Capital is wealth produced by labour from land, and the terms upon which labour can obtain permission to produce wealth is the determining factor in economic life.

Being an acute thinker and exact writer, Henry George does not deny the need for improvements in the mechanism of exchange. In considering the causes of poverty he states: "I do not mean to say that there are not other proximate causes," and he mentions, among others, the essential defect of currencies which contract when most needed, and the tremendous alternations in volume that occur in the simpler forms of commercial credit, which to a much greater extent than currency in any form, constitute the medium or flux of exchanges, and he says these and other similar causes undoubtedly bear important part in producing and continuing what are called hard times.

### THE UNJUST CAUSE

"Both," says Henry George, "from the consideration of principles and the observation of phenomena, it is clear that the great initiatory cause is to be looked for in the speculative advance of land values." As long as speculation in land values remains, no reform of currency or credit can do more than patch up the damage done to the body politic. When as a first step, by the taxation of land values, land speculation and the withholding of land from use is prevented, then, the need for many credit reform schemes will pass away.

Unemployment, low wages and poverty existed long before the modern banking and currency systems were invented. Banking and such credit instruments as cheques and bills of exchange were wonderful inventions and improvements, but, like all improvements, they have not alleviated poverty. They have increased the land values that go into private pockets.

If such reforms as banking and commercial exchange have failed to solve the social problem, no more will any currency or credit scheme, however reasonable or desirable it may be, in itself remove the fundamental cause of poverty and hard times. That all-prevailing cause is the injustice which allows the earth, which is the source of all forms of wealth, to be regarded as private property.

ERRATUM.—The reduction in the yield of Income Tax and Surtax in 1933-34, as compared with the previous year, was £31,667,000, and not £40,667,000 as stated on page 58 of our last issue.

## LETTER TO THE PRESS

(The text of the Finance Bill with its clause repealing the Land Value Tax was issued on 9th May. The following letter went out to the Press on the 11th and was printed in a large number of newspapers.)

To the Editor :

SIR,

The decision of the Government to remove from the Statute Book the Land Value Tax provisions of the Budget of 1931 raises an issue of first-class importance.

When the second Finance Bill was introduced by Mr Neville Chamberlain after the election, he announced the decision, "without prejudice to the merits of the plan," to suspend the making of the land valuation because "the Government felt that, in present financial conditions, they would not be justified in incurring further expenditure upon an object which in any case could not produce any return for a considerable time."

The Finance Act of 1932 formally suspended the Land Value Tax. The Chancellor of the Exchequer again pleaded economy as the reason, and Mr Baldwin, resisting an Amendment for repeal, took the view that such action would not be playing the game.

The proposal now before Parliament to wipe this legislation off the Statute Book is a breach of all these pledges. Financial necessity can no longer be pleaded, but this was always so much hypocrisy. If the legislation had been allowed to operate, the nation this year would have been deriving a substantial revenue from land values. Instead, nearly 60 millions additional revenue is being obtained from tariffs. The Finance Bill, which is now making this surrender to the landed interests, shifts still further the burden of taxation from concentrated wealth upon the general masses of consumers and mainly upon the poorest section in the community.

Land Values are rising, and speculation in land is rampant and is being encouraged by the tariffs restrictions and quotas which give special benefits to certain classes of agricultural landowners.

High-priced land and the heavy burden of rates on buildings and improvements is restricting the building of houses and the use of land for all kinds of industrial development. Unemployment is consequently kept at a high level.

No one disputes that land values are an entirely unearned income which is due to the presence and demand of the community at large. A tax on land values would provide a just source of revenue which would not increase prices or add to the cost of living, as most of the taxation introduced by the present Government has done. Its effect in forcing land into use and making available opportunities of employment for the most distressed section of our population is even more important.

The hopes of many hundreds of municipalities that have agitated for a reform in the rating system are now checked or held in abeyance. The 1931 Finance Act laid the basis of a far-reaching measure of land value rating that would have released the stranglehold exercised by the land monopoly upon better housing, road and street improvements, urgent requirements in the way of parks and open spaces and every effort in the way of municipal expansion.

A Government, now revealed as a purely Tory administration, has legislated almost every day for subsidies and special favours to those elements in society that aim to live on the rest of the people through one or other form of privilege or monopoly. A Government elected on other issues and with the emphatic pledge, repeatedly uttered by responsible Ministers, that there was to be no partisan manoeuvring, has obeyed the behests of those who benefit from that monopoly which does the greatest hurt of all to society. It is a betrayal that should be exposed and denounced in every constituency throughout the land.

Yours, etc.,

THE UNITED COMMITTEE FOR  
THE TAXATION OF LAND VALUES.

A. W. MADSEN,

Secretary.

## WHAT THE PRIME MINISTER HAS SAID

## Mr Ramsay MacDonald's Declarations Recalled

During the Woolwich By-Election in 1921, when Mr MacDonald was the unsuccessful Labour candidate, he wrote in reply to a question by Mr F. J. McAleer: "I agree that rating should be on the land, not on improvements upon it."—(*Land & Liberty*, April, 1921.)

We have to develop our own country. "Protect our home markets!" What an insignificant phrase that is alongside of the Labour Party's policy: Develop our own country! I wish, my friends, I could meet you oftener on tramp. I could take you into the open fields of any county, or stand with you on any hill-top, and, pointing to the wastes, say: "There is our case!"

Before I went abroad, I was looking at the home market. What did I find? I found evidence of ploughshares under the heather, foundations of ruined houses masked by broom and whin; villages where thousands of decent men of grand physique and magnificent character had been brought up, and which are now deserted—only a few cows and sheep, and beyond them silence. That is our case. . . . We are going to develop our own country, we are going to work it for all it is worth, to bring human labour into touch with God's natural endowments.—(At the Hotel Belgravia, London, 1st November, 1923.)

When a London Railway Company laid its lines through Buckingham and opened out wide fields upon which part of the population of London might spread itself, it put fortune after fortune into the pockets of the landowners and speculators. That was not done by the expenditure of the Railway Company's capital, because the company might have tunnelled Ben Nevis instead of the Finchley Hills and no new values would have been created. It was caused by the fact that there was a community ready to use the capital in the form of a railway and put itself in the power of the landowners who lay in wait for the exodus beyond Finchley and Harrow. The only just repository for such values is the communal exchequer. They are the natural sources from which the cost of government and the development of communal action ought to be met. . . . The community has created the values, and it needs them in order to continue a free existence. But to-day they are handed over to private individuals who are parasitical sharers in the national wealth.—(From Chap. III of *The Socialist Movement*.)

It is from the land that we derive all primary raw materials. It is the soil which the agriculturist needs; it contains the ores of all our vast mining, quarrying, smelting trades; upon it must be built our factories, our warehouses, our houses; it is still, with the exception of our high seas, the foundation of our transport industry. . . . The owner of land is thus in the position of a man who holds the keys of life, and he constantly can exact a maximum toll as his price. He does so. Rent, therefore, tends to absorb every social improvement that can be turned into an advantage in the exchange market.—(In *The Socialist Movement*.)

Come with me for a fortnight and we will start a walk across country, and we will use neither high-roads nor by-roads, but will make a bee-line. We will take a map in our hands and we will go straight, and will defy every piece of landlord's legislation we come across, but we will see our own country. We will see what our country is. We will see its capacity; we will see its neglect; we will see where it is developed, and we will see the use to which thousands and thousands of acres are put. When we have beheld with our eyes, we will lay our heads together and see if there is very much disagreement between us in the proposition that our country's resources are not being properly developed and are not being used in the way that they should be used.—(In the House of Commons, 24th July, 1928.)

Rent is a toll, not a payment for service. By it social

values are transferred from social pools into private pockets, and it becomes the means of vast economic exploitation. Of this injustice, urban land values are pure examples, and the practice of holding up land unpenalized by rates, and of valuation for rating purposes which is much below purchase price, are evidences not only of the political power exercised by landowners, but of the survival to this day of privileges to shirk public responsibilities claimed by them when they had the power, and continued by use and wont. . . . Rent is obviously a common resource. Differences in fertility and value of site must be equalized by rent, but it ought to go to common funds and be spent in the common interest. . . .—(From *Socialism: Critical and Constructive*.)

Moving a resolution "against Tariff Reform," for the "repeal of indirect taxation" and calling for a "really substantial beginning with the Taxation of Land Values" at the Labour Party Conference, held at Portsmouth on 27th January, 1909, Mr J. Ramsay MacDonald said: "Tax the monopolies, tax the incomes that were received because those who owned them happened to own something which was absolutely essential to be used if production was to go on at all. The landlord did not help them to make things; the landlord stood by and said: 'My friend, if you want to make anything you must pay me to allow you to do it.' That was the nature of monopoly profits. The Labour Party said, that being so, the landlord was not entitled to his income at all."

We suffer from economic parasitism, and a fine type of that is income derived from unearned increment of land values. A Chancellor of the Exchequer who taxes Land Values will deserve the gratitude of the country. A Labour Chancellor will do this.—(At the Albert Hall, 27th April, 1929, opening his General Election Campaign.)

The Taxation of Land Values flew in the teeth of every principle in which the Tory Party believed. It was a recognition of the fact that what was socially made should be socially owned.—(London *Times* report, 2nd May, of speech delivered at Worksop, in the Bassetlaw Division, on 1st May, 1931.)

If there is to be any partisan manoeuvring, then I am not their man.—(Eve of the poll speech, General Election, 1931.)

## THE FINANCE ACT OF 1931

(*Explanation of its Provisions and its Promise, in a Memorandum circulated on 14th May to Members of Parliament by the United Committee for the Taxation of Land Values.*)

Part III of the Finance Act, 1931, provided for the making of a valuation of all land in Great Britain with certain exceptions. The land not to be valued included minerals, agricultural land which had no higher value for other purposes than it had for agriculture, and various classes of land which were exempted from taxation.

The valuation was expected to occupy about two years in the making, and when substantially completed was to be made public by registers relating to each district being deposited for public inspection at the offices of the local authority.

The estimated cost of making the first valuation was between one and one-and-a-half million pounds. Subsequent valuations, to be made every five years, were estimated to cost about £165,000 on each occasion.

The large cost of the first valuation was due to the necessity of preparing maps, registers, and other records of permanent value, and should therefore be regarded as largely a capital expense of a lasting nature, required in order to give the nation a true record of what the national resources really are.

The definition of land value, with some slight qualification in certain cases, represented what the site would sell for if the buildings and other visible improvements on it were not there.

As the Chancellor of the Exchequer explained in moving the Budget resolutions, the valuation when completed would, in addition to its primary purpose, have afforded a valuable check on the price of land required for public purposes, and would also have afforded a basis for transferring local rates on to site value instead of levying them on houses, buildings and other improvements.

The tax originally intended was to have been one penny in the £ on the capital value (equivalent to say 1s. 8d. in the £ on the annual value). Owing to an amendment incorporated at the instance of the Liberal Party, the tax instead of being levied on the full land value would have been imposed on a reduced value obtained by deducting from the site value four times the assessment for Income Tax Schedule A.

The decision of the Government to repeal the Land Value Tax clauses of the Finance Act, 1931, is a distinct breach of faith. No mandate was asked or given by the electors in 1931 for such action. The suspension of the valuation after the election was defended solely on the grounds of economy—it having been estimated that the first valuation would cost between one and one-and-a-half million pounds and subsequent revisions about £165,000 on each occasion.

The plea of economy was in fact misdirected, for if the valuation had been allowed to proceed, the tax would in the present financial year have been yielding a substantial revenue, instead of the injurious effects upon the poorer sections of the population of the heavy burden of tariff taxation now being levied.

It would in addition have struck at the root of the most serious and deep-seated feature of the economic crisis—the prolonged unemployment of over two million industrious and honest citizens—and in so doing would have relieved one of the most serious drains on the national finance.

It would have thrown into use and cheapened land for building, mining, and all branches of industry, whereas the policies carried out by the Government have restricted trade, encouraged land speculation, and retarded the process of recovery.

The taxation of land values has been an item in the policy of the Liberal Party for more than forty years. It has been in the programme of the Labour Party since its inception. Measures for the rating of land values have on six occasions passed their Second Reading in a Conservative Parliament. The taxation of land values was a dominant issue in the election of 1906 and the two elections of 1910. Proposals for the rating of land values have been approved by more than 600 local authorities in this country.

There is no other question which has obtained so much and so consistent public support, and a Government elected in a moment of panic for the declared purpose of taking emergency measures has no moral right to frustrate the considered will of the electorate in this fashion.

The right to employment, the right to life itself, depends upon the right to the use of land which is the source of all life and all wealth. The value of land is entirely a communal value, due to the very existence of society, and unearned by any individual. The progress of society and the development of civilization inevitably result in increased land values, and in an increased share of national production going to those who have done nothing to create it.

Scottish Land and Property Federation on the Repeal: The Finance Bill for the current year had disclosed that the Government were to put an end to the Land Value Tax proposals of the Finance Bill of 1931. This would be welcome news to owners of land and would remove many doubts and uncertainties that were hampering the development of estates.—*Glasgow Herald*, 18th May.

## FORM OF BEQUEST

I bequeath (free of duty) to the United Committee for the Taxation of Land Values, Limited, the sum of £



## LONDON COUNTY COUNCIL

At the meeting of the London County Council held on 15th May the following resolution was passed :—

That the Council regrets that proposals are contained in the Finance Bill, 1934, for the repeal of the land value tax provisions of the Finance Act, 1931, in view of the fact that the valuation to be made under that Act would have formed a basis for arriving at a fair purchase price to be paid for land for public purposes, including housing, as well as being of value if and when it were decided to rate land values in order to relieve the general body of ratepayers; and that copies of this resolution be sent to the Prime Minister and the Chancellor of the Exchequer.

The resolution was moved by Mr Charles Latham, J.P., Chairman of the Finance Committee, who said that he wished to direct attention to this matter from the point of view of local government. The valuation would have ensured to the benefit of the ratepayers of London. At present the activities of local authorities were being held up to ransom. The landlords had escaped under an archaic system from contributing to the rates and had been encouraged to demand excessive prices for land. Examples were to be found in the prices paid by the Council for sites for its cottage estates. The Bellingham site cost £50,339 and its annual value for rating was £490. Roehampton cost £120,000 and was rated at £951. The price of the Becontree site was £295,544 while the rateable value was £3,590. Other examples were to be found in the purchase of sites for block dwellings in central London. Many aspects of local government needed overhaul, but perhaps none so much as to adjust the burden of rates to the site value of land. The machinery for doing that was contained in the Finance Act of 1931.

Mr F. C. R. Douglas seconded the resolution. After referring to the action taken by the London County Council in promoting the rating of land values since it first came into existence in 1889, he pointed out the urgency of the reform in connection with housing. Rates as at present levied constituted an average of about 40 per cent of the rent which was charged for housing accommodation. So long as this impost continued it would be impossible to provide houses for the poorer section of the population at rents which they could afford to pay. The cost of sites was also inflated by the exemption conferred upon unused land. At its last meeting the Council had sanctioned the acquisition of one-fifth of an acre in Stepney for housing purposes at £2,300, or £11,500 an acre. Such prices were becoming commonplaces in attempting to deal with the housing problem in London. In the case of the East End clearance a housing site in Poplar had worked out at a cost of £41 10s. *per room* provided. Town planning was another example of the impossibility of making substantial progress in the absence of a general valuation of land value. The first Chairman of the Council, Lord Rosebery, had said that the London County Council had laid down some principles which would not be allowed to die until they had been carried into effect. The first of these was the taxation of land values. The present Council was certainly not going to allow this principle to die.

Mr G. P. Blizard made an able speech in support of the resolution, in which he gave a number of striking illustrations of the prices paid for land in comparison with the value at which it was rated.

Sir George Hume, M.P. (Municipal Reform) deprecated the discussion of political questions by the Council and indicated the opposition of his Party to the resolution.

The motion came on for discussion after midnight and did not therefore receive the notice in the Press which it deserved.

At Axbridge Rural District Council, Mr Frederic Wood, Solicitor to the Council, reported that a Special Committee appointed to consider an offer from Mr Foord, of Shipham, had decided to purchase a strip of land adjoining the entrance road to the Shipham Pumping Station. This land was three feet wide and 30 feet long, and would be purchased for £10.—*Western Gazette*, 4th May.

The price is at the rate of £1 a yard or £4,840 an acre.

## LIBERALS ON THE REPEAL

The Executive of the National Liberal Federation, meeting in London on 16th May, unanimously resolved :—

"That this Executive of the National Liberal Federation vigorously protests against the inclusion in the Finance Bill, without warning or discussion, of a proposal to annul the land taxation Measure introduced in the Budget of 1931, the operation of which was suspended during the national crisis.

"The Executive regards this action as yet another proof that the National Government has capitulated to the dictation of the Conservative majority."

\* \* \*

Among other resolutions passed by Liberal organization, that of the Hornsey Liberal Association (at a meeting addressed by Mr H. G. Chancellor on 11th May) may be quoted :—

"This meeting protests that the proposals of the Government to repeal the Land Clauses of the 1931 Finance Act is a Party action which violates the promise given at the General Election, destroys such National character as the Government retained and, in the interests of landlords, deprives the community of the power to reduce the heavy taxes on the needs of the poor and on industry, by using for public expenditure instead thereof the Land Values which the public create and the landlords now appropriate."

\* \* \*

The Liberal Parliamentary Party, at its meeting on 10th May, discussed the Finance Bill and afterwards issued the following official statement :—

"The Liberal Parliamentary Party will strongly oppose the clause in the Finance Bill which would remove from the Statute Book the provisions for land taxation enacted by Parliament in 1931. It recalls the public declaration by Mr Baldwin a year ago that the Government could not propose the repeal of these taxes 'because it was a National Government,' and that he and his Conservative colleagues in the Cabinet did not press for their repeal for that reason. The action that is being taken this year is, therefore, a frank recognition that the present Administration is now to be regarded no longer as National, but definitely as a Conservative Government."

## MR HERBERT MORRISON ON THE ISSUE

The Government's decision to repeal the land tax provisions of the Labour Government's Finance Act was attacked by Mr Herbert Morrison, ex-Minister of Transport and leader of the Labour Party in the London County Council, in a speech in support of Mr Gardiner, the Labour candidate, on 16th May at Upton.

"Nothing is more conclusive as to the class and Tory character of the present Government than its decision to repeal the land tax provisions of the Labour Government's Finance Act, a policy to which the present Prime Minister was committed right up to the eyebrows.

"The policy of the taxation or rating of land values is hated by the landowners, and in repealing the Labour Government's suspended legislative provisions the Government is acting as the servile political agent of the landed interests and is demonstrating to the world that the Prime Minister is the broken and humiliated prisoner of Tory reaction.

"The proposed land valuation would have been of inestimable utility to local authorities in settling the price of land when purchased for public purposes, including housing. In such purchases local authorities are often shamefully exploited. Moreover, the same valuation would have served as a basis of rating of land values in relief of the general ratepayer."

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## PRESS COMMENTS

(From a very large number of news clippings we take the following editorial statements.)

Though the National Government refrained from making any attempt to proceed with the Snowden valuation, they refrained from repealing the Land Value Tax sections in the Finance Act—out of respect for their sponsor, who had joined the National Government. The sections remained, therefore, as a latent menace, ready to be exploded when next a Socialist Government might find itself in power. Now the menace is banished, by a clause four-lines long.—*Morning Post* (Conservative), 10th May.

The great majority of the House of Commons have grown increasingly restive over the continued existence on the Statute Book of what was, in effect, intended to be confiscatory legislation, or, as Mr Neville Chamberlain said at the time, nationalization of land thinly disguised. If the valuation had been completed there was, of course, nothing to prevent any majority in the House of Commons, whether purely Socialist or assisted by renegade Liberals, from raising the penny tax to any limit they chose.—*Yorkshire Post* (Conservative), 10th May.

The chief effect of this action is to compel any Government with a partiality for land taxes to start from the beginning. The fight won by Mr Snowden in 1931 would have to be fought and won over again. One can understand the anxiety of the Conservative Party to revoke a Measure which is peculiarly obnoxious in its sight. Yet, it might be rash to assume that the last has been heard of the taxation of land values. Liberals have no quarrel with the principle of such legislation, and if the Socialists desire to impose the tax, and are in a position to do so, they will not be deterred by the fate of Lord Snowden's attempt.—*Western Daily Press* (Conservative), 11th May.

Mr Baldwin has been the keeper of the "National" conscience. He convinced the Tories twelve months ago, when they were clamouring for the repeal of the tax, that this would not be playing the "National" game. Nobody will believe that Mr Baldwin thinks that the mere lapse of twelve months has made what was wrong a year ago right now. The only conclusion seems to be that Mr Baldwin is just as much a prisoner of the real Tories as Mr MacDonald himself.—*Manchester Guardian* (Liberal), 11th May.

The position was that any Government could have brought the tax into operation at a moment's notice—a possibility which also caused a great deal of adverse criticism. By the latest decision, which entails the complete repeal of the tax, that danger is averted.—*Dundee Advertiser* (Independent), 10th May.

The repeal of the land tax is the result of a secret and intensive campaign by Conservative backbenchers. Not only did they seize every opportunity of pressing their demand on the Government, but I understand that they had several private interviews with the Chancellor and one with Mr Baldwin. Even the fact that some of the interviews had taken place was kept secret.—*Evening Standard* (Conservative), 10th May.

It stood on the Statute Book in abeyance as a hard won gain for Liberal and Labour land reformers and also as a token that the promoters of the National Government meant what they said in 1931 that no Party interests would be jeopardized if the electors responded to the emergency mandate. . . . "It may be," said Mr Ramsay MacDonald in 1931, "that they (the Conservatives) might try to put something over us. I am not their man." But this final scrapping of the land tax legislation shows that we have reached the hard core of reactionary Conservatism in a Government whose façade has now lost even its last coat of paint.—*Birmingham Gazette* (Liberal), 10th May; also *Yorkshire Observer* and *Nottingham Journal* of same date.

In the opinion of Sir Francis Acland (North-East Cornwall) the tax was a perfectly sound measure of finance, which ought to have been made part of the operative law and practice of taxation as soon as possible. He thinks there is no justification for giving some other Parliament the trouble of re-enacting it, especially as it will probably be put into operation in a very much less reasonable form

than intended by Lord Snowden, who understood the difficulties of the taxation of agricultural land.—Lobby Correspondent of the *Western Morning News* (Conservative), 10th May.

A Government whose leading Members have been asserting the necessity of continuing its National character will find it somewhat difficult to justify the provocative repeal of the land tax. The provision was left untouched in last year's Budget out of respect for Labour Members of the Cabinet, and its abolition now is either an affront to the Prime Minister, who not long ago thought taxation of land values an urgent reform, or an indication that he has abandoned the conviction of a life-time. Granted that under the give-and-take of National Government it was not to be expected that the land tax would be implemented, nevertheless it is equally contrary to the spirit of the alliance for the Chancellor to go out of his way to repeal the measure in the Budget.—*Spectator*, 18th May.

The great landowners have now collected the fee for their continued support of the "National" Government. The hated land values tax, which would have done much to keep land at a reasonable price and would have cut out the greatest source of landlord profiteering, has been killed. The Prime Minister has been forced to swallow columns of his own speeches in order to keep his place. His courtly pride that none were working for Party, but all for the State, is killed with the tax. Mr MacDonald has not been outmanœuvred by the landlord Party. They have simply ignored him.—*Star* (Liberal), 17th May.

Tax land and you defile the ark of the covenant of the Conservatives. There is no Measure which they fight more bitterly. Not once, but twice, in our rough island story have they destroyed that form of tax. Last year they raised a tremendous clamour for the extinction of the prospective tax. Some 300 M.P.s signed a round robin to the Premier, asking Government support for an Amendment for its repeal. . . . If the simple issue of the justice of taxing land values could be put to the country by referendum there would be an overwhelming majority in its favour. For the time being the majority is balked. But sooner or later the community will regain for itself the values it creates.—*Daily Herald* (Labour), 10th May.

It is with a feeling of unqualified relief that landowners and property owners generally will hear of the final extirpation of a Measure which they regarded as in the highest degree pernicious. A tax of a penny in the pound on the value of the land, to be levied yearly, may have sounded innocent enough. This insidious principle once admitted, the penny might have become twopence, and in time might have risen to an amount which involved the virtual confiscation by taxation of a substantial, or even the greater, portion of the value of the land. The clearing away of this obstructive Measure may be regarded as another step towards restoring the equilibrium of the country's prosperity.—*Country Life*, 19th May.

It is nearly 25 years since the people of this country gave a Government the mandate to tax the land.

The fact that the big landlords can still prevent it is a striking testimony to the way the landowning class dictate to British Governments and circumvent and frustrate the British democracy.—*Forward* (Glasgow), 19th May.

In view of the class feeling which is aroused by this tax, more perhaps than by any other, the decision of the Government is not very surprising. Thus passes yet one more attempt to secure for the Exchequer some of that value which is the outcome not of private effort, but of the growth and development of the wealth of the whole community.—*Economist*, 19th May.

It was fierce pressure by the Tory back-benchers which led to the repeal of the tax. There were two separate battles. One was in the Cabinet, the other was outside it. The Tory Party gave the Chancellor of the Exchequer no rest. They visited him in deputation on three separate occasions. They also saw Mr. Baldwin. But Mr MacDonald and Mr Thomas did not willingly agree to the repeal. Once more it was shown that the Premier is not master in his own home.—*Star* (Liberal), 11th May.

## THE LIBERAL WAY

At the Annual Conference of the National Liberal Federation in Bournemouth, 2nd to 4th May, a number of resolutions were adopted that had some sort of reference to land values. In the first place, the Conference unanimously and without discussion endorsed the Liberal *Address to the Nation*, which embodies a policy, as already noticed and criticized in our columns, of a tax on land values that would exempt the value of agricultural land. It proposed the purchase of agricultural land for the creation of family farms, small holdings and the rest. The Liberal Party by that pronouncement commits itself not only to a vast endowment of the land monopoly but to public expenditure that will but intensify the land speculation which is the prime cause of the depopulation of the countryside to-day.

The other resolutions adopted at the Conference are contained in the "fuller statement of Liberal policy," which is called *The Liberal Way*. Various amendments were accepted with the object of making it clear that a tax on land values and not merely an increment tax was intended; but the pamphlet as revised is still somewhat ambiguous on this point.

The Conference also considered a brief declaration of policy entitled "Fundamental Issues." In this there was no mention of land values. In the paragraph relating to Unemployment, plans of national development were advocated. The Hendon Liberal Association got a rider added (after the platform had substituted "site values" for "land values") reading: "The Liberal Party's policy to impose a tax on site values will immensely facilitate the carrying out of these projects and will make them financially productive to the State."

The Birkenhead Association managed to persuade the platform that the words "idle land" should be incorporated in the rhetorical question in "The Fundamental Issues": "Are we content that . . . more than two millions . . . should live on a bare pittance . . . or should we use idle labour and idle capital to improve the nation's well-being and strengthen its equipment?"

While these skirmishes with the platform took place, a valuable and effective piece of propaganda was carried out among the body of the delegates. A letter signed by eight representative Liberals (four ex-M.P.s and four ex-candidates) was put in the hands of every person present ably stating the case for land value taxation and enclosing with it a copy of Mr Chancellor's pamphlet *The Only Way out of Unemployment*, published by the United Committee, of which a special edition had been printed containing notable statements from the declarations of Liberal leaders in the past.

A correspondent who was present writes: "The distribution of the pamphlet and the letter made the impression we desired. There is no doubt about the increased support the question is receiving among the rank and file. Liberals from all parts of England and Wales have agreed to help with propaganda work in their own Associations."

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## SOUTH AUSTRALIA

### DINNER TO DR EDGAR CULLEY

South Australian Georgians tendered a complimentary dinner to Dr E. W. Culley, of Melbourne, on Thursday, 22nd March, at Ellis's Covent Garden Café. The President of the League (Mr A. Chappel), who is one of the South Australian trustees on the Henry George Foundation, presided.

Mr E. J. Craigie, M.P., in extending a welcome, said: "Supporters of Henry George principles throughout the world are under a debt of gratitude to Dr Culley for his wonderful contribution to make this world a better place for all to live in. The Foundation has been of inestimable benefit to the Australian Leagues during the trying years we have experienced, and one does not care to imagine just what would have happened to the movement if it had not the Foundation at the back of it. Those who advocate a just principle of government have many obstacles to overcome. Financial support is given generously by vested interests to those who will speak for special privilege, but those who demand justice have a hard row to hoe."

On rising to reply, Dr Culley was received with prolonged applause. In the course of his remarks, he said: "We should learn to wrap our common sense up in funny packets so as to make a more general appeal. There was a tendency for Georgians to sit back in the corner and chew the cud of reflection and think they were serious. Georgians should all be happy on account of their wonderful philosophy of life. Present-day conditions were making people think. Since he had read the books of Henry George he had missed no opportunity for turning a stone for the movement."

"It took all sorts to make a world, and one of our troubles was that our simple practical ideals did not commend themselves to many. Politicians had produced many wild and woolly schemes which were brought forth one after the other, and conditions became worse instead of better. Then we had university professors who presented their absurdities which were not in accord with natural law. Herbert Spencer had said: 'When knowledge is not in order the more one had the greater the confusion.' University men and politicians failed to see we were in a universe of law. We are here to learn those laws and keep them. Mankind suffers physically, morally and socially by doing the things that make us weak. We suffer as nature intended we should suffer."

"However, he was convinced that some day mankind would do the right thing. It would be done when we had suffered enough for not doing it. This present-day folly could not go on for all eternity. There were some who despaired of our doctrine being adopted, but they needed the same faith in humanity that Henry George had. The world was full of people, who could plant lettuces, but what we needed was men who could plant acorns and wait for the oak to grow. He was strongly of the opinion that our principles were making headway, and he appealed to all to do their part in the great work for the establishment of social justice."

The Henry George Foundation of Australia was established in Melbourne in 1928 with an endowment of £20,000 provided by Dr Edgar Culley for the purpose of spreading the knowledge of the teachings and economic principles of Henry George.

Since its inauguration the Capital Fund has received two substantial additions—from the estate of the late Mr Ernest John Hayes, of Thornleigh, N.S.W., £500, and from the late Mr Bernard J. W. Firth, £500. Recently, Mr Thomas Purdey, who died at Koonwarra, Gippsland, Victoria, with the exception of a small legacy, left the whole of his estate to the Foundation. It is estimated to yield £1,000 when realized.

The price of land in Shanghai has been going up almost uninterruptedly for the last 20 years for the simple reason that the population in the Shanghai area has risen from about 200,000 in 1914 to almost 2,000,000 to-day.—Mr. S. E. Shahmoon in a letter in *The Times*, 24th May.

# PARLIAMENTARY DEBATES—FINANCE BILL

Motion made, and Question proposed, "That the Bill be now read a second time."

(16th May.)

Mr. DAVID GRENFELL (Labour), moving rejection of the Bill on the ground (among other reasons) that it "makes a further concession to privileged interests by the repeal of the Land Value Tax with the consequent abandonment of a fruitful source of revenue"—

"One wonders why this is to be done. What of the Prime Minister? He happens to be the same person who was Prime Minister in the Government which passed the land taxation legislation, and he has been very definitely a champion of the taxation of land values. He has made stirring speeches on the subject." (Here Mr Grenfell quoted some of Mr MacDonald's earlier statements, which are recorded elsewhere in these columns and the statements also of Mr Baldwin that if the Conservatives came back to power, the land value tax would never see daylight.) "I want," he said, "the House to realize what it is asked to do in this proposal. The Government are making it impossible for land tax to be collected by the community. Let me give one or two facts to show how the increment of land values at the present time is affecting the corporate life of many cities and towns in the country. I start with Swansea, where I live. A scheme of public improvement is to cost £135,000, and compensation for land is £35,000. In Liverpool the cost of a scheme is £166,697, and compensation £16,887; Hampton Court, £445,000, compensation £80,000; the Bath Road scheme, £171,500, compensation for land, £42,000; the Lambeth Bridge scheme, £839,000, compensation £102,500; Manchester and Stockport Road scheme, £667,000, and compensation £117,000. On schemes which are to cost £2,424,197 landlords are to receive in compensation £493,390 in immediate payments, and also take the value of the improvements to their land.

"That is a process of fining the community; it is permitting landlords to fine the community for improving public property, and for putting unemployed men to work. We are simply allowing people who represent what the present Prime Minister calls a parasite class to wait until the community wants the land and then to receive large sums by way of compensation. The land system of this country is utterly indefensible. The burdens imposed on local authorities should not be allowed to exist for a day longer, and we protest most strongly against the repeal of the land taxes."

Sir A. SINCLAIR (Liberal): "The most remarkable feature of the Bill is Clause 25, for the repeal of the land taxes. Nothing was said till it appeared in the Finance Bill. They did this deed in the dark, and they did it in the dark because they were ashamed of it. This action exposes the sham and humbug of the National Government."

"We shall have other opportunities of discussing the merits of land valuation and taxation and I do not wish to go deeply into them to-day in a speech which necessarily has had to cover a great deal of other ground. Nor do I think that any supporter of the principle of valuation and taxation is wedded to the particular form which it assumed in the 1931 Act. But repeal—this futile effort to sink them without trace, at the bidding of the landed interest in the Tory Party—is an outrageous use for party purposes, of a majority obtained on national issues. The principle of taking taxes off improvements and putting them on site values is one of the chief principles and aims of the Liberal Party. But support for that principle comes not only from Liberals and Socialists but from large numbers of men and women in all parts of the country who on other counts would call themselves Conservatives. The principle of land values taxation has always been in this House a party issue, but outside the House it has received increasing support from men and women of all parties—in short, national support. In the last ten years scores of municipalities have passed resolutions in favour of the principle, including Glasgow when it had a non-Socialist majority, Newcastle, Sheffield, Leeds, Bradford, Manchester, Cardiff, Swansea and many other great cities as well as several county councils. During the past twelve years the Middlesex County Council has spent £5,000,000 on buying land and making arterial roads and has increased the value of adjoining land by no less than £15,000,000. The taxation of land values would put this vast increase of value created by public activity under levy for public purposes. The land monopoly holds London in a ring, through which dribble little streams of houses, dangerously sited on main roads. The taxation of land values would liberate enterprise from the crushing burden of rent, rates and taxes which it now carries, and make possible sweeping measures of town and country planning and national development. Here is a powerful weapon of national recovery and the Government instead of using it are breaking it. In repealing these taxes the so-called National Government is flouting public opinion on a great national issue."

"What justification is there for this action which did not

exist last year and the year before? Last year the Lord President of the Council said in reply to the agitation and to the pressure brought to bear upon him to repeal these taxes, that 'this, however, was a National Government.' He said it called for mutual consideration and he laid stress on the great public advantages of retaining a National Government. That was last year. In the year before—on 26th May, 1932—Mr. Baldwin said:—

"Had I been a private Member I should very likely have put my name to the Amendment to which hon. Members from Devonshire have put their names, but I occupy a more responsible position and I have to remember that this is a National Government. . . . We can accept neither a repeal of the Act nor the insertion of the Amendments."

The Secretary of State for War said:—

"Would it be wise for the Government to ask them to accept the humiliation, for it would be nothing else, of having this year solemnly to repeal what last year they had solemnly enacted?"

Why is the Prime Minister now submitting and forcing his followers to that humiliation? Does the Prime Minister remember the message he sent to the Scottish Liberal Federation in December, 1931? Lord Stonehaven had declared that the National Government had a mandate to carry out Tory policy, and the Prime Minister replied:—

"I am the head of a Government which was elected on a national issue embodied in a national appeal, and so long as I remain in the Government that will be its policy."

Those Members of Parliament who won seats on the basis of that national appeal, those supporters of land taxation who relied on the national appeal at the last election, have the right to look to the Prime Minister to make good the assurance which he gave, through the Scottish Liberal Federation, to the country as a whole that he would see that the policy of the Government remained within the ambit of the national appeal."

Mr. MALLALIEU (Liberal): "I think it was perhaps the most remarkable thing of all in the speech to which we have just listened that the right hon. Gentleman (the Chancellor of the Exchequer) again forgot to say anything at all about the land taxes."

"The Chancellor of the Exchequer of that time, Lord Snowden, with extraordinary courage and perseverance, managed to get that provision on the Statute Book. Now those 30 pages on the Statute Book are to be thrown on one side by a four-line Clause in this Finance Bill, which the Financial Secretary or the Chancellor of the Exchequer never so much as mentioned by a single word. That seems to be a complete surrender to the Tory land supporters of the Government at the expense of anything in it which might still be described as National."

"It is not surprising, if this be a Tory Government, that they should wish to repeal the Land Tax, because almost daily they are legislating for special favours for their privileged friends, provided that these privileged friends are wealthy enough to make expensive clamour, or unscrupulous enough to hold up the Government to ransom. It is not very surprising that the Government in these circumstances should have surrendered to the land monopolists any more than it was surprising in 1923 that the Conservative Party should prevent the continuation of the valuation started in 1909 by the right hon. Gentleman the Member for Carnarvon Boroughs (Mr Lloyd George). It is all of a piece, and true to type that this Conservative Government is now sweeping away one of the fairest methods of taxation that has yet been conceived."

"It would be wise for us to consider for one moment the extraordinary proportion of the expenditure which is made upon national development of all sorts which in fact goes to the landed interests. There is, for instance, an estimate which I have never seen questioned, about Charing Cross Bridge. The total cost of the scheme was to be £16,865,000, and of that £16,865,000 no less than £11,000,000 was to go in buying out the land and all the rights necessary to erect that bridge. In the case of Lambeth Bridge the cost of the total work was £839,000, of which over £102,500 had to be expended for the purpose of buying out the landowners and the various rights needed for the bridge. Not only does one compensate the landowners for certain rights one takes over from them, but one makes an absolutely gratuitous present of increased value to all the surrounding land when the work is done. In the particular case of Lambeth Bridge it was not surprising to see very shortly afterwards that the small amount of eight acres on the Grosvenor Estate was sold by the Duke of Westminster for no less than £1,000,000. Just after that sale *The Times*, on 19th March, 1930, made this very true statement:—

"... it is the building of Lambeth Bridge which has stimulated this development and has so enormously increased neighbouring values."

"A tax on the value of land would have taken some of that increased value of the land back to the community which had expended the money on the works. You cannot justify the removal of the valuation because any system of land value taxation, whatever you may think about the particular tax of 1931, must be based on a valuation such as the one now repealed. It is the repeal of the provisions as to valuation which was absolutely uncalled for and indeed iniquitous."

Colonel WEDGWOOD (Labour): "The most striking case is the question of the taxation and rating of land values. If you take the landlords' part of a value which the community not the landlords have created, you are being guided solely by justice not by expediency; you are recovering for the community part of a value which the community itself has created. The principle behind that is a principle of justice. If the Chancellor of the Exchequer takes something from me in Income Tax and Super-tax, he is not actuated by a principle of justice; he says: 'The money is there and I can get it,' and he goes for it. Income Tax and Super-tax may be justified on the grounds of expediency because you have to get the money from somewhere, but on grounds of justice they cannot be justified, whereas a tax on a value created by the community can be justified and ought to have the first call on the attention of the Chancellor of the Exchequer. You have only to go on a motor tour through the country to see how the value of private land is being piled up by Government expenditure. Millions of pounds have been put into the pockets of landlords, and to take that back is an act of justice, not an act of expediency. It would be worth while to pay more attention to justice and less to the question as to how we can best get the money irrespective of what the effect will be.

"You are destroying a valuation which might have been a basis not merely for taxation but for local rating. Our present system of rating penalizes improvements, checks development, interferes with industry and produces slums and overcrowding. If you de-rate improvements and levy the same rates on land values it not merely makes building cheaper but makes it more difficult to hold land out of the market; it increases the amount of land available for buildings and factories and reduces the charge levied by landlords on industry. The main reason why the valuation of 1931 and the valuation provided for in the Budget of 1909 had been revoked, repealed and expunged is that any method for the taxation of land values must inevitably reduce the value of land—"

Mr MACQUISTEN: "Destroy it!"

Colonel WEDGWOOD: "Yes, destroy it in certain cases. Speculative values certainly would be destroyed. There is a very adequate reason why land taxes have been revoked by the National party—it is criminal to destroy the value of land.

"Every barrier you put between a man and his raw material throws out of work an increasing number of people in all other trades. Everything you can do to break down barriers and make it easier for an unemployed man to get his raw material improves his chance of work, and, therefore, increases work throughout the country. What is the barrier which I want to remove in the interests of trade and employment? It is the price which has still to be paid, whether in rent or capital sum, before an unemployed man can get at his job. That is why I want land cheap, so that land which is not being used now shall be free for anybody to use. The higher the value of land whether for buildings or agriculture, the more unemployment you create, the more difficult you make it for your primary trades to get at their raw material.

"The land question is a question not of getting some money out of land, but of freeing the working-class from the tyranny of the competition of the unemployed."

Mr. CHARLES BROWN (Labour): "In June, 1931, speaking of the Land Value Tax, Mr Baldwin said in effect: 'If you give us your confidence, when we are returned to power we will see to it that this tax, which we do not like and think is unjust and inequitable, is repealed.' He was quite entitled to do that as leader of the Conservative Party. But the circumstances changed. We had no election in which the right hon. Gentleman could appeal to the electorate to return his party to power in order to repeal the land taxes. What we had was a financial crisis, so-called. A National Government was formed, and he became a member of it, and as a member of that Government he said in the House of Commons on 26th May, 1932: 'Had this been a Tory Government we should have repealed the Statute.'

"I ask Mr Baldwin what has occurred to cause him to change his opinion between May, 1932, and May, 1934? What has happened inside the National Government? In view of the general nature of this Finance Bill, and particularly of what we regard as an iniquitous proposal to repeal the land taxes, all of us on these benches will go without any hesitation whatever into the Lobby to support the Amendment."

Mr NEIL MACLEAN (Labour): "The Government were elected for a specific purpose; they appealed to the electorate to elect them in order to save the country from what they claimed to be a national crisis, telling the country that no party advantage was going to be taken, but that all three parties were going to work for the common weal of the country, and that when once the country was again in safety then the three parties could dissolve and assume their separate existences once more. Here is a particular tax which has been for many years one of the most burning questions in party politics in this country.

"In my membership of the House of Commons I have seen two Coalition Governments, and each of them has brought Budgets before the House in which a land tax has been deleted from the Statute Book. History is repeating itself to-night in another Coalition Government, and the Prime Minister who was mainly responsible for the passage of the Land Tax in the Labour Government, as one of the planks upon which he pledged himself and upon which he placed great reliance, is assisting, as Prime Minister of this Coalition, in stripping it from the Statute Book. The right hon. Gentleman the Member for Carnarvon Boroughs (Mr Lloyd George) was the other Prime Minister. Curiously enough, to complete the coincidence, the Chancellor of the Exchequer who is responsible for the present Finance Bill is the brother of the Chancellor of the Exchequer who was responsible for the Finance Bill which destroyed the first Land Tax.

The FINANCIAL SECRETARY TO THE TREASURY (Mr Hore-Belisha), the only member of the Government who referred to the repeal of the tax, contented himself with a few derisory remarks: "The machinery for the collection of the tax on land values was put into abeyance by the decision of the National Government when the right hon. Gentleman the Member for Caithness and Sutherland (Sir A. Sinclair) was still a member of it.

"In the ordinary course of events, the Land Values Tax would have come into operation this year. As three years must elapse between the necessary preparation and the exaction of the tax, it becomes plain that the tax could not become operative in the lifetime of the present Parliament. Accordingly, the Government have decided, having examined the whole matter, that some future Parliament should not be deprived of its right to examine the whole matter afresh, in the light of the new conditions which will then prevail, and in detail. That, I think, is a practical proposal, and I do not think it can cause any undue regret."

The voting for the Second Reading was 290 for and 55 against.

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## NEWS OF THE MOVEMENT

**THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES, LTD.,** 94 Petty France, London, S.W.1. **A. W. Madsen, Secretary**; **F. C. R. Douglas, Assistant Secretary**; **W. R. Lester and C. E. Crompton, Hon. Treasurers.** (Telephone: Victoria 4308. (Telegrams: "Eulav, Sowest, London.")

On the announcement of the Government's intentions to destroy the Finance Act of 1931, the office at once engaged on an intensive campaign. Among the circulars issued to the Press and to Labour and Liberal Members of Parliament were the following:—

Letter to 200 Editors on the Repeal of the Land Value Tax.  
Resolution adopted 11th May by the Executive of the Committee.

Recital of the Prime Minister's previous utterances on the Taxation of Land Values.

Quotations from Mr Stanley Baldwin's statements and his reasons given to the Conservatives and the House for resisting repeal last year and the year previous.

Explanatory Memorandum on the land value clauses of the 1931 Act, and the meaning and promise of that legislation.

Speakers' Notes, giving by practical example many illustrations of the "Case for the Land Value Tax," culled from recent issues of this Journal—also declarations like that of the present Chancellor of the Exchequer who said (18th October, 1927): "Everyone who has been concerned in the administration of a great town knows how, when you want to cut a little bit off the side of one of your busiest streets to give a little bit of ease to your congested traffic, you have to pour out money by the thousands of pounds for every yard you snatch for the need of the community."

Copy of the letter from the Prime Minister to the Secretary of this Committee, dated 14th May, and the Reply.

Copy of the Resolution adopted by the London County Council on 15th May, protesting against the action of the Government with enclosures.—*Report of the Sheffield City Council on Land Value Rating and Land Value Taxation in Practice.*

A number of these documents are printed on other pages. It goes without saying that the outstanding feature of all this publicity was the exchange of correspondence with the Prime Minister, which with some few exceptions such as *The Times* and the *News-Chronicle* (that "Liberal" daily) appeared in the main newspapers throughout the country. Mr Ramsay MacDonald's "remarkable letter," as the *Manchester Guardian* described it, is the only public statement he has made thus far stating in behalf of his Government the reasons for the repeal. He took no part in the debate in the House, coming only to vote with his Tory allies. It was the Resolution of the United Committee that drew the astonishing admission from the Prime Minister of this country that his Government is virtually in the hands of the landed interests.

The Letter to Editors was printed in full in very many papers and some printed it as a leading article. The previous speeches of Mr MacDonald and Mr Baldwin made excellent "copy" and both these and the "Speakers' Notes" were well used by the Labour and Liberal Members who took part in the debate on the Second Reading of the Bill on 16th May.

The immense number of Press cuttings that have reached us show how the public has been aroused against the dishonest and dishonourable action of the Government and reveal the sentiment that is behind the Taxation of Land Values. If the occasion had been different, this publicity would have been all the more gratifying. But it speaks for the opportunities that are before us, and the need now for such a campaign, so supported, as will ensure an even swifter and more certain triumph over the land monopoly, which by this latest action has invited to such an acceptable challenge.

At the Upton (West Ham) by-election, Mr Ben Gardner, the Labour candidate, replied emphatically in the affirmative to the three questions addressed to him by the United Committee, that he favoured and would promote the Taxation and the Rating of Land Values. He was in Parliament in 1931 and fought then for the Land Value Tax in the Finance Act. The result of the Election (14th May) was the return of Mr Gardner with a majority of 3,464. It is another indication of the turn of the tide against the Government, which at the General Election had a majority of 5,002.

**ENGLISH LEAGUE:** Frederick Verinder, General Secretary, 7 St. Martin's Place, Trafalgar Square, London, W.C.2. (Phone: Temple Bar 7830.)

The 51st Annual Meeting of the League was held at the "White Heather" Tea Rooms, Strand, W.C.2, on 9th May. The President, Mr E. E. Belfour, J.P., presiding, moved the adoption of the Annual Report which described the work of the League during the year, mentioning the numerous activities

that have been already reported from month to month in these columns. Special mention was made of the activities at the League rooms at 7 St. Martin's Place, where lectures have been given on Sunday evenings throughout the season and Mr Andrew MacLaren has conducted a well-attended Economic Class. During the year speakers from the League have addressed 87 meetings in 45 constituencies.

The Hon. Treasurer, Mr H. A. Berens, presented the annual accounts for the year to 31st March, 1934. This showed in brief a total revenue of £1,149 1s. 5d. and a total expenditure of £872 10s. 5d., which with the deficit from last year of £305 1s. 4d. left a deficit at the end of the financial year of £28 10s. 4d. The League had been greatly helped out of its financial position of last year by contributions amounting to £467 in response to special appeals. For the ensuing year there were elected: President, Mr E. E. Belfour, J.P.; Hon. Treasurer, Mr H. A. Berens; General Secretary, Mr Frederick Verinder; and the 15 retiring members of the Executive were re-elected by a ballot.

A small Committee was appointed to raise a fund for a testimonial to Mr Wm. Munn, the late Assistant Secretary, as a recognition of his services to the League for 44 years.

The meeting was well attended, especially by the new and younger members.

\* \* \*

### PRESENTATION TO FREDK. VERINDER

After the business meeting a pleasant social gathering followed with light refreshments served—the purpose of the gathering being to commemorate Mr Verinder's completion of his fiftieth year as General Secretary of the League. Congratulations were conveyed in speeches from the President, from Mr A. MacLaren and from Mr H. G. Chancellor, who paid tribute to the outstanding work Mr Verinder had been doing throughout his long tenure of office. With the acclamation of all present, Mr Belfour asked Mr Verinder to accept an Address in the name of the members of the League. As the President explained, this Memorial had been subscribed to by very many and was significant in the fact that by the request of the organizers no contribution exceeded £1 1s. They had wanted to encourage as many subscriptions as possible, and they had been eminently successful.

The Address read:—

"TO FREDERICK VERINDER, Esq.

"On his completion of 50 years as Secretary to the English League for the Taxation of Land Values.

"We, the undersigned Members of the Executive Committee of the English League for the Taxation of Land Values, wish, on behalf of our co-workers at home and abroad, to place on record our appreciation of the loyalty and service which you have given to the promotion of the principles of Henry George. Your lifelong devotion to our cause has endeared your name to all who strive for the realization of Social Justice.

"Never swerving nor compromising with opposing forces, you kept intact your band of workers whose faith you inspired and whose courage you sustained.

"We ask you, therefore, to receive this token, which implies more than formal language can convey."

The Address was beautifully illuminated by Mr J. A. Pinckheard, a member of the League. It was accompanied by the presentation of a cheque for £20 and gift of a canteen of cutlery and silver.

Mr Verinder, in responding, expressed his gratitude for the opportunity which had been his to advance the movement and spoke of the work given to it by many with whom he had been associated during his long term of office. His work for the League had brought to him the great privilege of a close friendship with Henry George and his family. He paid a warm tribute to the Presidents and Treasurers of the League with whom he had worked; to the generous and willing help given by the United Committee and by the publications of the Henry George Foundation; to the value of *Land & Liberty* as the organ of the Movement; and to the faithful service of Mr Munn, as Assistant Secretary, during 44 years. As probably the only survivor in the League of those who were members 50 years ago, he welcomed the young members who had recently joined and hoped that the work of those who had hitherto borne the burden and heat of the day would not be underrated or forgotten. In particular, he warmly thanked the Executive and those members who had joined in organizing such a presentation to him, with such a remarkable token of their good fellowship.

\* \* \*

It is intended to hold open-air meetings during the coming months. The Sunday evening discussions and the Economic Class on Tuesdays, both at the League's office, will be continued for the present.

At its meeting on 14th May, the Executive adopted Resolution as follows:—

"The Executive of the English League for the Taxation of Land Values enters its emphatic protest against the action of the 'National' Government in proposing the repeal of the Tax upon Land Values constitutionally enacted in the Finance Act, 1931, by a Government of which the present Prime Minister was the head. It affirms that the Government neither asked for nor obtained a mandate at the last General Election for the action they now propose to take; that, in so doing, they are not only sacrificing a fruitful and just source of revenue which could be raised without imposing any burden on industry and improvement, but are blocking a reform which, by bringing land into use at cheaper rates, would relieve the housing shortage and decrease unemployment."

\* \* \*

Mr A. C. Blackburn had a letter in the *Daily Herald* (17th May) on the repeal of the Land Value Tax.

**SCOTTISH LEAGUE: William Reid, Secretary and Treasurer, 150 North Street, Glasgow, C.3.**

Some response has been made by special donations to the appeal for funds to reduce the deficit which stood at £95 at the end of the financial year. One of the later subscribers sent £2 and authorized us to say that if another £29 is donated before 1st July he will send another pound. We invite those who have not yet responded to help us to earn that extra pound.

The Parliamentary Bills Committee of Glasgow Town Council discussed the cancellation of the provisions for land valuation but decided to take no action. As there is a Labour majority in the Council they have an opportunity of giving a lead towards a more progressive scheme than the one outlined by the late Labour Government.

References to the question have appeared in various Glasgow newspapers as a result of Mr A. W. Madsen's letter and the statement by the Prime Minister.

Mr A. J. Mace has drawn attention to the flagdays for playing fields. Properly viewed, as he thinks, these are flag days for landowners. Too much of Scotland has been laid out for playing fields for tourists. Two and a quarter million acres in the North could be used to better advantage if some favoured people had less to spend on blood sports and frivolity. Playing fields can be taxed into existence.

Mr John Peter and other newspaper correspondents have been trying to arouse interest in the question as usual during the past month.

**MANCHESTER LEAGUE: Arthur H. Weller, J.P., Secretary, 4 Piccadilly, Manchester 1. (Phone: City 5527.)**

The following meetings have been addressed: Stretford Christian Endeavour Association, D. J. J. Owen; Alexandra Park Gate, D. J. J. Owen, W. Withington and A. H. Weller.

At a meeting of the League's Committee on 14th May the following resolution was adopted:—

The Executive Committee of the Manchester Land Values League protest emphatically against the Government's decision to repeal the provisions in the 1931 Finance Act for the Taxation of Land Values. This legislation was the result of a strong public demand constitutionally expressed at many general elections, and the National Government received no mandate in 1931, or since, to flout the popular will on this issue. The Committee therefore condemn this action as a gross betrayal of the national interests in favour of the privileged class of landlords.

The Committee further declare that the most vital issue before Parliament is still the destruction of land monopoly by means of the Taxation of Land Values in town and country, a policy which always receives emphatic endorsement when placed before the electors. They therefore look with confidence to the re-enactment of this urgently-needed reform in the near future, and to the ultimate triumph of the cause of land restoration.

Copies of the resolution were sent to the Press and it was printed in the *Manchester Guardian*, the *Manchester City News* and other papers.

A correspondent writes: "The *Manchester Guardian* of 17th May was like a supplement to *Land & Liberty*, what with the Prime Minister correspondence, the Manchester League's resolution, the N.L.F. resolution and a pertinent leading article."

An instructive analytical article on Credit Reform or Land Reform, by D. J. J. Owen, appeared in the *Stockport Express* and in the *Oldham Evening Chronicle* of 30th April.

**YORKSHIRE AND NORTHERN LEAGUE: F. Skirrow, Secretary, Compton Buildings, Bow Street, Keighley.**

The Annual Meeting of the League takes place at the Hotel Metropole, King Street, Leeds, on Saturday, 2nd June, at

6 p.m. Following the business meeting a public meeting will be held at 7 p.m., addressed by Mr W. R. Lester, M.A., his subject being "How Civilization may Decline." In the Chair, Mr Ashley Mitchell, the President of the League.

At a Committee meeting on the 10th May, the following resolution was adopted and conveyed to the Press, appearing in a number of Yorkshire papers:—

This meeting registers its emphatic protest against the proposal in the Finance Bill to repeal the Land Value clauses of the first Finance Act of 1931. It holds that such action would be a dishonest use of the result of the last General Election, when this issue was not before the people.

Meetings addressed since last report include those by Mr Wm. Thompson at the Skipton Adult School, the Bradford Adult School, the Temple Street Brotherhood (Keighley); and by Mr A. W. Dakers at the Forest Hall Brotherhood, Newcastle.

Correspondence in the Press include letters by A. W. Dakers, W. Thompson and F. C. R. Douglas in the *Yorkshire Observer*; A. W. Dakers in the *Newcastle Journal*; J. T. Hastings in the *Carlisle Journal*, and "Impot Unique" in the *Keighley News*; while the Secretary has had two articles in the *Leeds Weekly Citizen*. The Press letter from the United Committee on the repeal of the Land Value Tax had wide notice in the newspapers in Yorkshire and northern counties.

**MIDLAND LEAGUE: Chapman Wright, Hon. Secretary, 20 Cannon Street, Birmingham 2.**

On 3rd May the League engaged sandwichmen to parade round the Council House Extension. The posters included a plan of the Extension site—ground rent £5,400 per annum—with others suitably worded and ably drafted by Mr G. G. Houghton. Some thousands of our new card *re* the site were handed to passing citizens by Messrs A. Williams Price, J.W. Bush, G. G. Houghton and the Secretary.

Councillor G. H. Sawyer, at the City Council meeting on 1st May, moved that representation be made to the Government to put into operation Part 3 of the 1931 Finance Act so that value created and added to the land by the development of the Civic Centre could be collected for public purposes. Councillor Fryer seconded, and Councillor Perry declared that it was unfair that landowners should reap enormous benefits without having done anything to justify them.

On 23rd May the Secretary addressed the Alston Men's Guild on the subject of "Land Nationalization by Taxation."

**WELSH LEAGUE: Eustace A. Davies, 27 Park Place, Cardiff, Convener.**

The Executive Committee met at 27 Park Place, Cardiff, on Wednesday, 9th May.

Amongst the matters on the Agenda was that concerning the Notice of Motion which was to have been tabled for the May meeting of the Cardiff City Council. A deputation subsequently saw other Councillor friends and it is now hoped that the matter will be dealt with in time for the June meeting of the Council.

**PORTSMOUTH LEAGUE: S. R. Cole, Hon. Secretary, 165 Francis Avenue, Southsea.**

The final meetings of the Economics Class which has been making a complete and systematic study of *Progress and Poverty* were held in the Wesley Central Hall on 25th April and 9th May. At the former, Mr J. H. McGuigan opened the discussion on the "Law of Human Progress" and at the last meeting the League were glad to have Mr W. R. Lester, who dealt with the dangers to civilization arising out of the unjust distribution of wealth, taking as his text the prophetic chapter in *Progress and Poverty* entitled "How Modern Civilization may Decline." The meetings were reported in the *Portsmouth Evening News*.

**BRISTOL LEAGUE: J. T. Baggs, Hon. Secretary, 29 Ponsford Road, Knowle, Bristol 4.**

The Officers for the coming year have been elected as follows: President and Organizer, Mr E. J. Brierley; Vice-Presidents, Mr J. H. S. Rowlands, Mr J. H. Knight; Hon. Secretary and Treasurer, Mr E. T. Baggs.

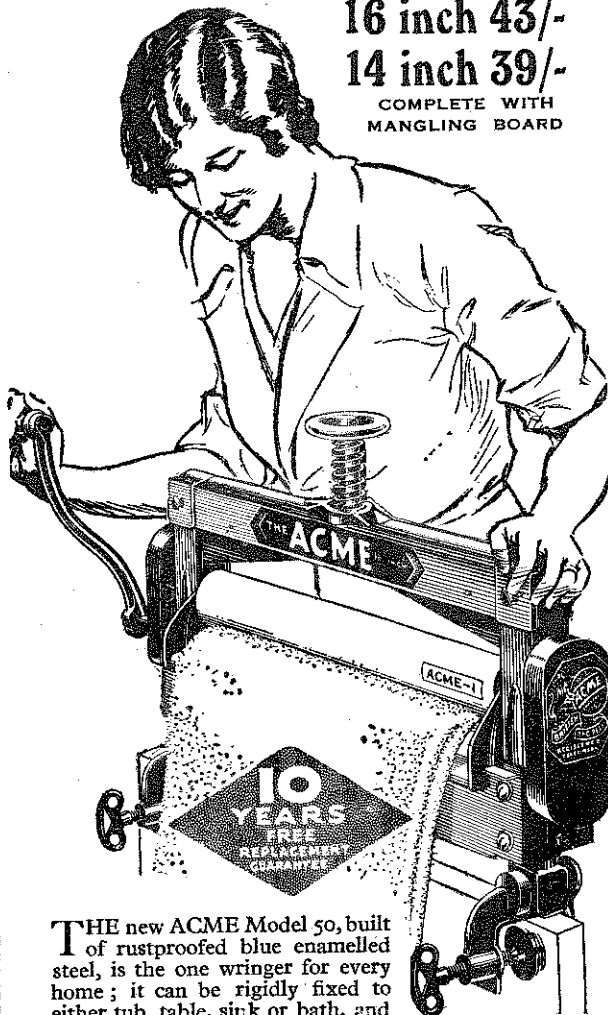
Mr Brierley continues his series of articles in the *Bristol Guardian and Gazette* and much other pen work. This, together with his addresses to local organization Co-operative Guilds and Labour sections, is doing much to bring the League into prominence.

Mr J. H. Knight, former Councillor for Devizes, has addressed meetings in Bristol and Frome. He is prospective Labour candidate at the coming November elections for the Somerset Ward of Bristol and has the united support of his Executive in his campaign for the Taxation of Land Values. They have invited Mr Brierley to give an address on 12th June.

During the summer months the discussion group will meet weekly in the houses of interested members.

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