

CONSERVATIVES APPROVE THE RATING OF LAND VALUES.

I.—Speeches by Leading Conservatives.

MR. BALFOUR, speaking in the Free Trade Hall, Manchester, November 17th, 1909, said:—

"Taxation of Land Values for rating purposes is legitimate if it can be shown that the land or the values which you desire to rate are values which are not paying their fair share of the local rates. That is a perfectly legitimate argument. . . . All forms of property which benefit by the rates ought, if you can contrive the machinery, to contribute to the rates. . . . The Taxation of Land Values is really no interference with security—it only means that that which does gain by the rates should contribute to the rate."

SIR MICHAEL HICKS-BEACH, now LORD ST. ALDWYN, and at one time Conservative Chancellor of the Exchequer, speaking in the House of Commons during the Budget Debate, 1894, said:—

"Let the right honourable gentleman (Sir William Harcourt), if he thinks right, invent means of taxing the increased value of landed property in the neighbourhood of towns. In an endeavour of that kind I will support the right honourable gentleman as readily as anybody, because I think it would be fair. I know there is a great deal of the value of land in towns which at present escapes taxation from every source, and I think it should be possible—I know it to be very difficult—it would be desirable to remedy that injustice."

LORD ROBERT GECIL, in the House of Commons Debate on the Third Reading of the Finance Bill, November, 1909, answering the statement that the Tories had made speeches on Land Values, said:—

"Yes, I quite agree; I do not think that I myself have ever done so, but I agree that a large number of honourable gentlemen of Conservative opinions have pledged themselves to the taxation of land values. But what for? As a substitute for our existing system of

Conservatives and the Taxation of Land Values.

rating, which is a perfectly easy and rational proposition. You have already the principle that land contributes to the local rates, and the question is whether the rates should be levied upon the improved value or upon the site value. This is a fair subject of discussion, and I do not think anyone would suggest that the alteration from improved value to site value is Socialism, or any extravagant or novel proposition."

MR. F. E. SMITH, K.C., M.P., speaking on April 29th, 1910, at the Waldorf Hotel, on the Social Policy of the Unionists, said :—

"Then the Budget was introduced. It was useless for them as a party to pretend or argue that there was not, in fact, a fundamental distinction between land and other subjects of ownership. The essential physical consideration that land was, after all, limited in extent, in a sense which was not true of any other commodity, did make a difference . . . in the degree of control which might be asserted by the community over land on purely public grounds. So far as he knew, no Conservative had ever approved of the land proposals in the Budget. . . . But that was a totally different proposition from saying that, for purposes of municipal rating, you might entitle the municipalities to readjust the basis on which their system of oppidan (urban) rating depended. . . . If there was anything at all in the cry upon which the land taxes were now fundamentally founded—public increment—it would be a matter for growing consideration in the future how far that increment was national in its character and how far municipal. It might well be a subject deserving of their consideration as a party to determine what would and must be the position of the great municipalities towards the tax."

2.—Conservatives in Parliament.

Ever since the publication of the Report of the Royal Commission on Local Taxation, proposals for the reform of our local rating system have been continuously before Parliament. The agitation in favour of taxing Land Values, with the corresponding relief of industry from the burden of rates, became a great municipal movement, and grew until upwards of six hundred local governing bodies joined in petitioning Government to carry this much-needed rating reform into effect, by giving them power to assess land values separately and to levy rates upon them. Numerous Bills have been introduced into Parliament in which the new principles were

Conservatives and the Taxation of Land Values.

embodied. During the Conservative administration prior to 1906 six such Bills reached a second reading, but were not proceeded with. The speeches on many of these occasions are instructive. The record of voting is given below.

In 1903 thirteen Unionists voted in favour of the second reading of the Land Values Assessment and Rating Bill.

In 1904 thirty-six Unionists voted in favour of the second reading of the Land Values Assessment and Rating Bill. Mr. W. W. Rutherford (Liverpool, West Derby) seconded the motion in a powerful speech, and Sir A. Rollit (South Islington) and Sir G. Bartley (North Islington) spoke in support.

In 1905 twenty-one Unionists voted in favour of the second reading of the Land Values Assessment and Rating Bill. Mr. Austen Taylor (Liverpool, East Toxteth) and Mr. Harwood-Banner (Liverpool, Everton) spoke strongly in favour of the measure.

3.—Publications and Press Articles.

THE CONSERVATIVE CAMPAIGN GUIDE (used in the General Election of 1906) says :—

"It is natural that the friends of the working and middle lower classes should desire for them, and that those classes should desire for themselves, more room to live in, more commodious dwellings, and more air and sunshine and light around them, and more relief from the burden of house rent, which probably in proportion to their incomes presses more heavily upon them than upon other classes of the community. No policy could be more fatuous than to meet these aspirations, when moderately pressed, with a blank *non possumus*, or with a cry of 'Robbery!' A man may be quite justified, as a matter of business, to refuse in the meantime to let at a fee of £50 per acre land which he expects in a few years to let for a fee of £100, and to be content instead to let it for agricultural purposes at £3 per acre; but whether or not it is economically a sound policy, it is certainly not robbery to require him to make a contribution to the revenues of the community, on whose growth and prosperity he relies for the enhanced value of his property, upon a scale which shall bear some relation to the return he might have obtained, but prefers in the meantime to forego. "The proposal is advocated, however, not only on account of the advantage to the rates, but also because of its tendency to bring building land into the market on reasonable terms."

Conservatives and the Taxation of Land Values.

THE MORNING POST has been a consistent advocate of the rating of Land Values, and has frequently referred to the subject. On December 21st, 1906, a leading article said :—

“ A rate levied on the value of buildings (the present system of rating) is a tax upon building enterprise ; it is a direct discouragement to an industry which in these days of an urgent housing problem is one of the industries most in need of encouragement. A rate levied upon unimproved land values is not only free from the charge of discouraging industry, but may directly assist in a solution of the housing problem by hastening the development of building estates in the outskirts of great cities.”

THE OBSERVER, March 13th, 1910, said :—

“ It would be perfectly in accord with Unionist argument during last Session to give the local authorities the option of taxing local site values for local benefit.”

MR. ELLIS BARKER (the well-known Unionist pamphleteer), writing in the *Nineteenth Century and After*, says :—

“ No reform of the land system can be complete without a reform of the rating system. The British system of local taxation is a most unjust system. . . . It is indefensible . . . that a castle such as Chatsworth should be rated no higher than the shop of a struggling tradesman. It is equally indefensible that the owner of building land worth £100,000 who lets it at £300 for grazing, should be rated only on that £300, and thus be encouraged to restrict the extension of the town, and to increase the rent and living expenses of its inhabitants.”

**Truly, as Lord Robert Cecil has said,
a large number of hon. gentlemen of
Conservative opinions have pledged them-
selves to the taxation of Land Values.**