

"OUR POLICY."

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

A CRITICAL MOMENT

The strain on the present rating system has reached breaking-point. It is admitted on all sides that the burden on the present ratepayer has become intolerable. Since the Report of the Royal Commission in 1901 practically nothing has been done to reform local taxation. There has been no change in the basis of rating. In the meanwhile, during the years 1900-01 to 1910-11, while the assessable value of England and Wales has increased by only 21·9 per cent., expenditure from rates has increased by 51·5 per cent., or more than twice as fast, the increase being due partly to the growth of local needs and partly to fresh legislation, which has increased the expenses which local authorities have to meet out of rates.

There are many signs that the Government cannot delay much longer to deal with the situation. Ominous rumours are current that the Chancellor of the Exchequer in his Budget may have recourse once again to the vicious plan of granting doles out of the taxes in relief of the rates.

Before this reaches our readers' hands the Budget statement will probably have been made, but at the moment of writing nothing is known except that the problem can hardly be postponed.

In this situation the practical policy set out in the famous Memorial of the Land Values Group holds the field. The need of the moment is to press that policy upon the Government. The main thing is to establish land values as the new basis of charge. But it is also necessary that such services as education, poor relief and main roads should be more largely financed by a national fund. To relieve the rates out of general taxation without making a national levy on land values to supply the money, would be subsidising land-owners at the expense of the taxpayer. There is only one way in which the problem of these services, national in character but locally administered, can be solved, and that is by the national tax on land values.

"No further grants-in-aid without a tax on land values," must be the first and last word of all genuine progressives on this matter. If five millions more of

local expenditure is to be taken over by the Exchequer, we must have a national tax of a halfpenny in the pound on land values; if ten millions, a penny tax.

Such an arrangement would distribute an existing burden in a fair manner among the persons interested in land values. It will be necessary at the same time to make a start with the transfer of the remaining local rates off industry and on to land value. The time is long overdue for making such a start. The Liberal Government has been in office since 1906 pledged to this reform, but has not yet succeeded in completing the valuation for the purpose. The folly of this procrastination was never more apparent than at the present day, when the need to move has become imperative, and the valuation is not yet to hand. If the amendments in the Budget valuation which the Land Values Group have constantly demanded had been made two years ago or even last year, the Chancellor of the Exchequer would now have been in a position to carry the necessary reforms. We must take care that the backward position in which the Government have left themselves is not made an excuse for shelving or bungling the essential reform.

In all other respects the outlook for the taxation of land values is more encouraging than ever. The last ten years have been a time of unbroken progress in public opinion. This result is shown in the two Reports which were issued last month, that of the Departmental Committee on Local Taxation (Cd. 7315), and that of Mr. Lloyd George's Land Enquiry Committee (*THE LAND*, Vol. 2, Urban). Our readers are referred to the statement on these Reports by the Executive of the Land Values Group which we publish as a Supplement with this issue, and are also strongly recommended to read the chapters on the rating of land values in the Reports.

The Departmental Committee was divided on the question of land values, seven members against the rating of land values, and six for it. The views of the seven are to be found in Chapter X. (*The Rating of Land Values*) of the main Report. They attempt to defend the existing system on the grounds that rateable value is a measure of ability to pay. The other six members of the Committee dissent from this Chapter, and make a "Separate Report on the Rating of Land Values," which gives conclusive answers to the points taken by their seven colleagues. Without disparagement to the seven, it may be said that the names of the six carry special weight, and the adoption by them of the arguments set out in their Separate Report may be regarded as an important gain for the cause. The six are: Sir John Struthers, K.C.B., the head of the Scotch

Education Department, recognised to be among the ablest of civil servants; Mr. D. M. Stevenson, Lord Provost of Glasgow, distinguished for his independence and clear-sighted public spirit; Mr. G. L. Barstow, C.B., guardian of the national purse as representative of the Treasury; Mr. E. J. Harper, the Chief Valuer of the Board of Inland Revenue, whose experience of valuing and rating problems is unrivalled; Mr. W. Murison, the Clerk of the County Council of Aberdeenshire; and Mr. T. J. Hughes, Chairman of the Welsh Insurance Commission. Their arguments and recommendations are set out fully in the Supplement.

The Land Enquiry Committee record in their Report the horrors and hardships and grievances which they have found to exist in a quantity and a degree which polite society still declines to recognise. The Report overflows with remedies. Its disposition is to invoke the power of government to nurse and regiment the workers rather than to rely on the establishment of a just social order which will leave the people free to work out prosperity for themselves. But their pages on land values show that they have taken great trouble and had considerable success in grasping and restating the case for the unrating of improvements and the rating of the value of land whether used or unused. They also set out well the unique advantages of a national tax on land values, and they make a strong point that grants in aid of rates would be a subsidy to landowners and quite indefensible unless accompanied by a rate or tax on land values. They are anxious, however, that their proposals should not have any "confiscatory effects," and therefore, while praising the national land values tax in principle, they are not in favour of imposing any national tax together with the land value rate which they recommend. But they are prepared to recommend that five millions should be given out of general taxes in relief of rates. In our opinion, it is necessary that any such grant should be accompanied by a national tax on land values to supply the amount of the grant, in addition to the new land value rate.

A tax upon ground-rents would not raise the rent of houses. It would fall altogether on the owner of the ground rent, who acts always as a monopolist and exacts the greatest rent which can be got for the use of the ground.
—ADAM SMITH.

Is your title recorded in heaven then? Did you bring your land from a neighbouring planet? What power have you that you do not hold from society? You are in possession only by public consent.—NECKER, ESSAY ON THE CORN LAWS (1775).

AN AUSTRALIAN TRIBUTE TO JOSEPH FELS

By L. P. J. in the "The Jewish Herald,"
Melbourne

One of the great pleasures to which I looked forward on my visit to England, in the spring of 1911, was that of grasping Joseph Fels by the hand, and thanking him, both as a single taxpayer and as a co-religionist, for his noble efforts in the work of hastening the reign of social justice among men. The opportunity came shortly after my arrival in London, at one of the quarterly meetings of the English League at Essex Hall. A more unassuming, unaffected, kindly-visaged little man I had never met. Not more than five feet in height, and rather frail-looking, it was difficult to believe that this little frame contained the stuff which goes to make history. He received my advances kindly and quietly, and, having time for but a few brief words, took my address and hurried away. A few days afterwards he visited me at my hotel, and then I got a glimpse of the man at work. Getting me to lightly and readily admit that I was a single taxpayer, he proceeded, without further ado, in earnest and convincing fashion, to impress upon me the responsibility which my admission involved, told me how heavily the burden had fallen upon himself, and how it was my bounden duty to get "alongside him" and assist the movement to the full extent of my power. He asked if I knew of any other Australians visiting England whom I thought in a position to afford financial support. I told of one. Mr. Fels approached him in like manner, and I am sure no other man could have engaged the sympathies and imagination of myself and my friend with such effect as he did. His call to duty was so insistent, so passionate, so transparently sincere.

I met Mr. Fels frequently during the summer and autumn of 1911, but he was always so busy and sought after that I rarely had any sustained talk with him. He carried on an enormous correspondence, was being continually interviewed, and seemed to be engaged in endless undertakings connected, directly or indirectly, with our movement—to say nothing of philanthropic work, of which he was rather ashamed as being inconsistent with his well-known views.

I felt that he was overtaking his strength, and hinted so to him more than once, but apparently without the slightest effect. In this respect, in his restless energy and impatience to get "something accomplished, something done," he reminded me much of Max Hirsch.

From what I observed while at home, and have gathered from his letters since, I fear that Mr. Fels' temperament was sorely tried by the bars and disappointments inseparable from a revolutionary movement such as ours. He did not profess to understand the currents of British politics, and his ardent spirit did not kindly brook the great incubus of inertia which overlays them.

Quite recently he expressed impatience, and even distrust, of the British Government's land campaign. This, I fear, was a source of worry to him, but later developments—Lloyd George's Glasgow declaration last month, for instance—may have reassured him. It is devoutly to be hoped that this was so; that he was permitted to get a glimpse of the "breaking dawn" ere he rested his weary head for the last sleep.

I would not have it thought from these remarks that there was any note of despondency or pessimism about Joseph Fels. The contrary was the case. He radiated with optimism as to the ultimate triumph of the cause to which he had dedicated his life, and he gave the impression of thoroughly enjoying his work. He rather resented references to the princely financial support he gave to the movement. "Tell them," he would say when this topic