

A RED (LAND VALUES) HERRING

Under this exuberant title the *South London Observer* of 19th February indulged itself in an assault upon the policy of land value taxation, more notable for assertiveness than for knowledge. Some of its points were:—

Land values are already rated and taxed, both directly and indirectly. Revenues derived from the holding and use of land are taxed nationally, while reassessments for rating purposes are almost invariably shown to be a revaluation of property arising out of the improved site value.

No case can be made out for either the rating or taxation of land values unless a reduction of other taxation is effected corresponding to the new taxes imposed.

We owe the rise of Socialism in this country to the inability of the Liberal Party when in office to distinguish between the rights of the individual and the rights of the community. The Communists make no distinction whatever. They regard what is called the National Income—the aggregate of individual earnings—as the property of the State.

Liberal and Socialist economists show no regard for ethics. Paying lip service to freedom they trample on elementary human rights, and particularly on the right of the individual to retain and spend his own earnings in his own way.

These Socialist and Liberal candidates know perfectly well that they cannot possibly obtain parliamentary sanction for their proposal to rate land values in any manner different from that at present in operation, and in offering this bait to electors, most of whom have only a vague idea of what is meant, they are being deliberately misleading. The implied suggestion that the poorer ratepayers would benefit by any such scheme is untrue.

The taxation of land values has been in operation for over forty years in Australia and for even longer periods in many States of America. By no stretch of imagination can it be argued that this particular form of imposition has proved beneficial to the communities on whom it has been tried.

A Reply

Mr Fredk. Verinder put the Editor right in the following letter:—

(1) You say that "land values are already rated and taxed." The fact is that land values, as such, are not rated or taxed at all.

Take a simple example: three plots of land, abutting on the same street, of equal area and equal value. Plot A is vacant; plot B carries a dilapidated building; on plot C is a well-built, modern house. A is not rated at all; B and C are rated on their net letting value. If rating were on land value, all three plots would be assessed at the same amount. All land which is unused, all agricultural land (completely derated by recent legislation), the sites of all empty houses are entirely free of rating. Much of this unrated land is of great value. The fact that it is free of rates, while the growth of population, the need of houses and the expenditure of the rates on public improvements is increasing its value, enables the owner to hold it against the public needs till those needs become so clamant that he is able to sell out at a profiteering price. Ask any Councillor what so-called "agricultural land," which has no value for rating purposes, costs his Council when it is urgently required for a housing scheme or an open space or a public building.

(2) Land Values as such are not taxed. If they were, all vacant and unused land would be taxed on its value. It is true that, when land is occupied and used, the

landlord pays tax on the income derived from it, but that is not the same as a tax on land values. There are hundreds of thousands of acres of land in our cities, towns and urban districts, which are "agricultural," and therefore exempt, for rating purposes, which would only be sold as building land. Income tax assessments reflect only the value of its present use; nearly the whole of its real market value escapes the tax.

(3) You seem to think that the advocates of the taxation of land values "show no regard for ethics," that they "trample on elementary human rights, and particularly on the right of the individual to retain and spend his own earnings in his own way."

Yet we have said over and over again: "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." Land values are created by the public and should go into the public treasury.

(4) Yet, after all, we come very near to an agreement when you say that "no case can be made out for either the rating or taxation of land values unless a reduction of other taxation is effected corresponding to the new taxes imposed." I have been an active worker for the taxation of land values for nearly 53 years, and I can assure you, Sir, that during the whole of that time our demand has always been for the institution of land value taxation, national and local, in substitution for the present taxes upon the foods, the houses, the industry, the business transactions and the earnings of the people. And the London County Council last July urged the Government to introduce legislation so that "the present burden of local expenditure should be transferred, wholly or in part, from rates to a rate on site value."

WARWICK MITCHELL

We regret to report the death of Warwick Mitchell which took place in Huddersfield on 27th February after a long illness from which it was hoped and expected that he would recover. But his condition getting worse, he underwent an operation and succumbed a short time after. The end which came so suddenly has been a great blow to his relatives and friends. Warwick Mitchell espoused the Henry George cause as a young man in association with his brother Ashley and most faithfully has he watched and helped the work of the Yorkshire League and of the United Committee in all the years since. These two, Ashley the elder and Warwick the younger, have been brothers in arms in a true sense, a life-long companionship, campaigners together, and partners in business with two other brothers. It has only been through Warwick's co-operation that Ashley himself has been able to devote so much time to political work and been given some relief and leisure from business cares but Warwick's interest never flagged. He was one whose sympathy and character and sound judgment gave strength to all who knew he was with them in their endeavours. His age was 47. So we lose a friend and co-worker in the prime of life who would have done yet so much to hasten the better day. To the bereaved widow and to the bereaved brothers and the family we convey our sincere sympathies.

For the London County Council election the Liberal and Progressive Party (18 candidates standing) issued a programme in which the first of the important reforms urged is "Reform of the rating system including derating of improvements and the rating of land values."