

THE CASE FOR A RATE ON SITE VALUES



Well Developed Site
HIGH RATES



Valuable Site Poorly Developed
LOW RATES



Valuable Vacant Site
NO RATES

WE REPRODUCE the illustrations used in one of the leaflets being widely circulated by the London Labour Party in support of the L.C.C. Bill. This is a four-page leaflet, a specimen of which is inserted with the present issue of *Land & Liberty*, and the text of which reads :

The Case for a Rate on Site Values

The L.C.C. has a great new rating plan spreading the cost of London's government more fairly.

THE POSITION TO-DAY

Rates are levied entirely on houses and buildings—and are paid by the occupiers, not the owners. No rates are levied on the land itself—London's life and work makes its land worth a hundred or a thousand times more than land in the country. The landowner pockets his huge rents, but pays nothing back to the London community.

LONDON COUNTY COUNCIL'S PROPOSAL

Levy a moderate rate of 2s. in the £ on the annual value of land. Thus get a revenue of some £3,000,000 a year, make the landowner pay his share, spread the burden of rates more evenly and relieve the present ratepayers.

The L.C.C. is asking the consent of Parliament to do this. See that reactionary vested interests do not prevent fair play for London ratepayers. WRITE TO YOUR M.P. ABOUT IT!

1. Without roads, drains, hospitals, schools, parks and police, town land would have no value. Who provides these things? The L.C.C. or other local authority. *The landowner should help pay for them.*

2. One of the L.C.C.'s biggest jobs is housing. It has to pay heavy prices for land. Some landowners who pocket these huge sums have been paying very small rates on their land as "agricultural," and since 1929, no rates at all. For the land for its four big "cottage" estates the price paid by the L.C.C. represented nearly six times the value on which the municipality had, before 1929, been receiving rates on the land. This hits the L.C.C.'s tenants and all ratepayers. *Landlords should pay rates on the true value of their land.*

3. At present, rates are levied only on the use made of land, largely in proportion to the use made of it. *Make all land pay, in proportion to its value, and spread the burden more fairly.*

4. A rate on site values works perfectly in many parts of the Empire and Europe. In scores of cities *the whole of the rate is on site values.*

The rating of site values, like every other reform promoted in the interest of the general body of citizens, is bitterly opposed by the big vested interests—in this

case, the landowners—whose unfair privileges are being attacked.

Site-value rating is no new-fangled idea. It has worked perfectly for years in great cities in Australia, New Zealand, Denmark and elsewhere.

The Conservative Government may try to block this reform on the pretext that the principle of site rating should be settled nationally.

Don't be bluffed. If the principle is right for London, and if London's government, with the support of its people, asks for its application, Parliament should not say "No."

REMEMBER! If the L.C.C.'s proposal for fairer rating goes through, the L.C.C. rate levied on the general body of ratepayers will be less than it would otherwise be.

Rates off Houses and on Land

The other leaflet is a one-page sheet and reads :

The Rating of Site Values and the Small House-Owner

Question.—How will it affect the small man who owns his house or is buying it through a building society?

Answer.—He will benefit.

Why.—Big landowners will pay most of the rate on site values. This rate will mean an increase in the Council's income and so a reduction in the "general" rate. The small house-owner, while paying a small sum on his land, will save much more on the "general" rate levied on house and land together (the house being worth much more than the land). Big landowners pay; small house-owners and tenants benefit.

Example.—Suppose the house is assessed at £30 and the annual value of the land is £6. A rate of 2s. in the £ on the site value would mean a payment of 12s. a year, but if the "general" rates were reduced or prevented from rising by, say, 1s. in the £, then the small owner would save 30s. on his "general" rate. Thus he would be in pocket by 18s. a year.

The rate on site values would, therefore, help the small house-owner, and at the same time secure a fair payment from the big landowner and the property companies who profit by public expenditure out of the rates, but at present make little, if any, contribution.

Moral.—Don't let the big landowners and land speculators use the small house-owner as a smoke screen to "mask" their own selfish interests. Support the L.C.C. proposals. Make vested interests pay a fair share.

Write to Your M.P. About It