

IRISH FREE STATE

Dublin City Council Takes Action

At its meeting on the 13th August the Dublin Corporation unanimously passed a Resolution as follows, moved by Councillor Conn Murphy and seconded by Councillor J. J. Byrne :—

“Resolved that in order to relieve the Municipal Ratepayers of an unjust burden of taxation which they now bear, the Government be requested to pass legislation for the taxation of all surplus ground values as these values belong of right to the community whose industry and resources have created and sustained them.”

Councillor Murphy spoke 15 minutes in support of the Resolution, but unfortunately a good deal of the value of the debate, from the publicity point of view, was lost owing to the Dublin newspaper strike. The *Cork Examiner* of 14th August reported: Dr Murphy said that at present a very large revenue was being drawn from the city by owners of lands on which buildings had been erected, and in the majority of cases these owners contributed nothing to the Corporation in respect of that land which had risen in value. The owners of land on which Dublin stood had profited at the expense of the community. There were instances where the landlords did not live in the country and drew large sums from the land that had been developed by the Corporation. It was estimated that £30,000,000 left the country annually by way of ground rents alone, chiefly to people who never spend a penny here.

The lead now given in Ireland by the Capital City is very significant. The only query mark that one can put against the Resolution is the reference to “surplus ground values” instead of taxation on the value of all land whether used or not. But as all ground values are “surplus,” the legislation demanded by the Corporation from the Irish Free State Government should provide the comprehensive measure that is needed.

At the same meeting of the Council, a Resolution was carried on the motion of Councillor Frank Scott asking the Government to introduce legislation to deal with the exorbitant rents charged in Dublin tenements and for cottage dwellings. As Councillor Murphy will, we are sure, convince Councillor Scott, the legislation required for this is the taxation of land values, and the second Resolution was very good support for the first.

An informing leading article on the taxation of land values appeared in the *Limerick Leader* of 30th July. After quoting a case under the Town Tenants Act in which the Court had increased the rent of certain business premises from £60 a year to £115 because the surrounding population had increased and therefore the business had gone up, the article continues :—

“Here we have a singularly interesting illustration of the need and the fairness and utility of the taxation of land values. The basic idea of that system is that the additional value accruing to property through the growth of a community belongs to the community and should not be annexed by an individual who had nothing to do in creating it. This is a very vital question that will have to be tackled some day, and when the right course is taken in regard to it many of the present serious obstacles to housing progress and the welfare of dwellers in cities and towns will have disappeared.”

This paper has also published a number of able letters by Mr John J. Hobbins of Limerick, advocating land value taxation.

BERWICKSHIRE HOUSING

Land Value in a Country District

A typical example of housing difficulties on the countryside is afforded by the recent experience of the Berwickshire County Council, reported in the *Berwickshire Advertiser* of 3rd April last, sent to us by Captain McDougal, the Chairman of the Public Health Committee.

One acre was wanted for housing purposes at Chirnside. It was agricultural land, and as such was subject only to a few shillings of local taxation. The Public Health Committee had offered £100 but the proprietor, Mr Ross Hulme of Ninewells, asked £200. This shows how the price is run up when a site is needed for building. The matter was taken to arbitration.

How Land Value Arises

In putting his case before the arbiter, the landlord's agent pointed out that the site was specially valuable because (1) it was convenient to the water supply; (2) it was convenient to the drains; (3) it was convenient to the school; (4) to the main road and 'bus route; (5) to the electricity grid; (6) to the station and paper mill; and (7) there was a fine view.

The agent also stated that £15 per acre per annum had been the feuing rate for all feus since 1881. When questioned he admitted that only about one acre in all had been feued since 1881.

The representative of the County Council stated that there were only two large and one small proprietor in Chirnside, the price of £15 per annum or £200 per acre was simply a “take it or leave it” price and not a fair price, and that this was borne out by the fact that only one acre had been feued in 50 years. The County Council were the only buyers, and the proprietor might not get a buyer for this site for 50 years at the price demanded. There was unlimited land round Chirnside for sites, and £100 was ample and, indeed, an extremely generous price for this site.

Instructive Admissions

The arbiter decided that the price should be £105 and that each side should pay its own costs. In reporting the decision to the Committee, Captain McDougal said: “It is interesting to note that of the seven reasons given by the proprietor's agent for a large price, not one had been provided by the proprietor, but most had been provided by the ratepayers, and that the more the ratepayers improve water, drains and roads, the higher are the prices demanded for the sites.”

“It is worth noting,” he added, “that as recorded in the Minutes of 12th October, 1931, the proprietor of the site in question was given a FREE GRANT of £400 under the Rural Workers' Housing Act, for the purpose of helping him to recondition his workers' cottages. This grant amounted to about two-thirds of his total expenditure on them.” The Chairman said that he made no comment, except that the two facts of this Free Grant and the demand of £200 per acre for this site, though not legally connected, cannot avoid being considered and compared.

Public authorities to-day have no recourse against the land monopolist but to bring the price to arbitration, and even then to have to pay a sum out of all proportion to the previous rateable value. This Berwickshire case shows again how quickly all these problems would be solved if the land were rated and taxed on its true market value. In these circumstances how much of all that land—every acre of it, whichever acre was chosen—would have been held up for fifty years at the owner's fancy price of £200 an acre? The Finance Act of 1931 (repealed at the demand of the interests) would have put the arbiters out of business and taught the better lesson.

FORM OF BEQUEST

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