

## REMARKABLE RESPONSE TO NEW LEAFLET

## “Can Taxation Be Constructive?”—By Hon. F. A. W. Lucas, Q.C.

A powerful new weapon has been added to the land value protagonist's armoury. It is the leaflet made from the article “Can Taxation Be Constructive?” by the Hon. F. A. W. Lucas, Q.C., a retired Judge of the South African Supreme Court and President of our International Union.

The leaflet is published for free distribution by the United Committee for the Taxation of Land Values. Printed in two colours on a primrose paper as a six page folder, the leaflet invites the reader's comments on the policy outlined and offers further relevant free literature.

Thousands of copies have been circulated by our readers outside public meetings, and privately to correspondents whose names and addresses have appeared in the press. Scores of recipients have accepted the invitation to write for further information, and with their permission we are able to print extracts from some of their letters. In general they reveal that our policy is not as widely known as it could be, and that a latent fund of goodwill towards it lies ready to be tapped.

## Scottish Landowner in Broad Agreement

R. C. R. McLELLAND, landowner/farmer of Melrose, Roxburghshire: I must confess the principle is entirely new to me. Nevertheless I am in broad agreement with the system, although I am uncertain as to how it would affect us here in our own individual circumstances—we are owner-occupiers farming our own land.—October 12.

## Retired Colonel's Unqualified Support

LT. COL. J. O. HORNE, of Epsom, (three letters):—

I was very interested in the paper by Frank Lucas which was handed to me as I left the meeting last week. I know nothing about land-value taxation as a means of raising money without damaging the economy of the country or whether it could be effected efficiently, or would bring in sufficient revenue to run the country . . . My first impressions were very favourable towards it.—October 12.

I have read *Dictator—Democrat* and *Light on the Land Question* and am now completely behind the movement. I may not see the details which would be necessary to implement the idea but basically I can see no flaw and can only wonder at the disinterestedness which must consume the average man, or is it apathy, to make him ignore an idea which will not only improve his own lot but also the prosperity of the country. I should like to know to what extent the idea has penetrated into the minds of our parliamentarians and how the idea is regarded by the Conservative Party as a possible policy to be put into practice. It would be a pity to allow the idea to be used by the Socialist Party, not because they are socialists but because they would use it as a weapon against capital and not as the impartial leveler it was and is intended to be . . . I would be interested to know what can be done, and is being done, to try to have this idea adopted as law. How can the ordinary man help? . . . I am intensely interested and would like to know more.—October 24.

I spoke to one small shopkeeper the other day who said that his rates had been raised and that his total rates would be higher than his profit. When he complained he was told to sell out and do something else . . . Having read the literature you sent I am getting more confident that I can explain

the idea simply. When I used to lecture I used to feel that I had done a good job when I really knew the subject and had made it my own. I want now to be put further into the picture so that I can talk intelligently on the subject and answer all the usual objections. Meanwhile I am looking for opportunities to make the matter better known.—October 31.

## Too Much Claimed for Proposal

C. J. McCALVEY, Solicitor and Commissioner for Oaths, Whitley Bay, Northumberland: I am not familiar with your case but following the information given I am not in favour. I feel that too much is claimed for the taxation of land values.—October 12.

We have sent Mr. McCauley a copy of *Light on the Land Question* which critically examines the matter from the point of view of the “man in the street” who doubts (understandably enough) whether any single reform could possibly achieve all that is claimed for a single tax on the value of land—higher real wages, cheaper and better houses, greater production, *et al.*

## Two Engineers in Favour

G. W. A. ROWLAND, M.A. Oxon., an A.I.D. Inspector in engineering, of Newton Abbot, Devon: I was not heretofore familiar with the case for the taxation of land values but am definitely in favour of its adoption . . . I should very much like the opportunity of learning more on this matter and also to know if there is any way I can disseminate such information more widely.—October 12.

R. J. FINCH, Chartered Mechanical Engineer, of London: Your letter prompted me to read further on the matter. The reference I made—which was Volume II of F. W. Taussig's *Principles of Economics*—verified the claims in your pamphlets. I was not previously familiar with the matter but feel that I am now and that it is worthy of careful consideration.—October 15.

## “Fascinating—And Revolutionary!”

MRS. MARGARET AYLING, shorthand typist, of Selsey, Sussex (two letters):—

My first impression is broadly favourable, but before I could form any opinion I feel I should have to know a good deal more. I should like to consider further literature on the subject. Is it proposed that a tax on land values should be the only tax in the country? Am I right in assuming that my father, as a freeholder, would pay this tax, whereas all the other properties in his road, being leasehold, would be subject to tax payable by the ground landlord?—October 22.

It is a fascinating subject upon which to speculate. I have not grasped the full implications yet, but it seems that it would revolutionise the country. Our whole present economic situation is somewhat precarious, to say the least, and the current method of taxation certainly puts a premium on honesty and thrift.—October 28.

## “Excellent in Principle”

A resident of HARROW, Middlesex, who prefers to remain anonymous, wrote: I was quite unfamiliar with this line of thought, and believe the suggestions excellent in principle. I should like to receive further information and shall be pleased to distribute free copies of the leaflets entitled *It's*

**Response to New Leaflet—Continued**

**Your Money and Can Taxation Be Constructive?** I should like to know, however, how hardships would be avoided (if the reform were instituted) to people owning un-developed or under-developed land in areas of high development and value.—October 17.

Such people would have a choice of two alternatives. They could either erect a tax-free building suited to the site, or they could sell the land to somebody ready and willing to do so. In neither case would they "suffer." Meanwhile hardship is being caused to the community at large. It is denied its rightful source of revenue; existing buildings are heavily taxed; and wanted development is prevented or inhibited. The sites mentioned by our correspondent are valuable only because of the competing demands to put them to good use. The wrong and folly of a tax system which prevents development is obvious.

**"Extremely Attractive and Ethically Right"**

MRS. ROSEMARY BELL, housewife and private secretary, of London (two letters):—

Naturally I find the proposal extremely attractive myself because I am not a landowner. I have, however, discussed it with a few property owners and they seem to like the idea too. I do not see how it is going to work in this country . . . still if it could be made to work I think it would be the answer and I am convinced that it is ethically right.—October 13.

I have had further thoughts about Land-Value Taxation. I still believe it to be morally and intellectually right and that broadly speaking the country would benefit by it—but it is unnatural, and unnatural things don't work out for the best in the long run. I believe that most people in this country are land hungry. They want very much to own a plot of land and to have their own house on it . . . I am still openminded on the subject, but I am pretty sure that a place of one's own, along with a country of one's own, isn't just a vague sentimental yearning, but a basic human need.—October 27.

With one reservation, we agree. But what is unnatural is that, because of taxation and land monopoly, most people receive less than the value of what they produce, and that some others receive a greater value than they produce. Indeed, some produce nothing and yet are extremely affluent. The natural and moral law is that what a man produces is his and that what he does not produce is not his. The taxation of land values is wholly consonant with that natural law. That is why it is often described as "natural taxation."

**Fears About Farms, Flats and Gardens**

A. D. J. STEWART, company director, of Woking, Surrey: The subject is new to me . . . South Africa, Australia and New Zealand are a long way away, and the examples quoted therefrom are largely meaningless to me. If the case is good (as you obviously believe), I would like to see it set out in terms applicable to life in Britain, *i.e.* as a theoretical case to bring in the required tax revenue. Am I going to be able to keep a garden under the weight of the tax the land would presumably attract? Will any one be able to own or lease farm land? As at present set out, the subject gives me the impression that to avoid taxation we shall all tend to move to flats in the tallest possible buildings.—October 14.

The land value policy would increase people's ability to own gardens. At present dear land crowds houses needlessly close together—taxes on land values cheapen land and tend to have the opposite effect. Overseas experience—as in Greater Sydney, N.S.W., for instance—proves this.

Millions of owner-occupiers and tenants of houses already

standing would also benefit, the land-value rate being less than the rate now levied, excepting only where a low value building occupies a very valuable piece of land.

It is fair to assume that the total taxation of every kind paid annually by Mr. Stewart greatly exceeds the annual rental value of his site alone (that is, the rent a willing lessee would offer, and he would accept, if it were covered only with natural growth, but with all surrounding developments taken into consideration). In that case he has everything to gain from the adoption of this policy of untaxing the products and earnings of labour and capital.

The ownership and tenancy of farms would continue unaffected until the full annual rent was publicly collected. Then land would have no selling value, and only tax-free buildings and other improvements would be bought, sold and leased. Security of tenure would be strengthened, rather than weakened.

Even at the top of the tallest building, the land-value tax cannot be escaped. Such buildings would be erected only on the very valuable land—the country would *not* be covered with skyscrapers from John o' Groats to Land's End!

**Key to Personal Liberty**

P. J. ARNOLD, Oil company operator, of Prittlewell, Essex: The pamphlets have been carefully studied and found absorbing. Their contents provide new food for thought . . . and inspire one to believe that here is the crux to which the defence of personal liberty can be safely anchored.—October 15. In a later letter, Mr. Arnold wrote: Please tell me if I can assist your cause in any way.

**Skyscrapers and Smallholders**

E. BENNETT, of Marlborough, Wilts., wrote that his first impression was "not at all favourable." He feared that smallholders would be taxed out of existence, and that small businesses would be bought out by large companies, and he was "horrified" at the thought of how the character of towns and villages would be changed by the erection of very tall buildings. "Examples from the Dominions are not valid in the U.K. Land is not scarce there, land values are relatively low, and farming is an economic use of land. Under land-value taxation, farming in the U.K. would not be economic."

A fortnight later, (on October 31), Mr. Bennett wrote that he had read with great interest the literature we had sent and had gained from it a clearer idea of the proposal. "I won't go so far as to say that I am converted to your view, though I think some of the queries I raised are now resolved."

We believe that our case is unassailable and that it will command the sympathy and support of every intelligent person who examines it dispassionately. Mr. Bennett's fears are groundless.

**Would Reduce Present Tax Burden**

ALFRED C. EDWARDS, Finance Company official, of Manchester: I have to confess a lack of familiarity with the subject. From the leaflets I would make the following observations: Its introduction would undoubtedly lighten, if not completely obviate, the burden placed on the individual by way of purchase tax and income tax.—October 15.

**A Military Man's Blessing**

MAJOR P. R. BOND, retired, of Chelmsford, Essex: There is no doubt whatever that taxation as it is, forms the basis of most of the discontent among those whose endeavour is greatest. The (rating) re-assessments have been the last straw. Anything that can be done, however drastic, to curb taxation in its present form, and to limit bureaucratic spending would



**Response to New Leaflet—Continued**

be welcome. Land-value taxation is new to me and I am going to look further into it.—October 14.

In a subsequent letter, Major Bond wrote: As you know, I am completely "Independent" in my political views. Your organisation is a sound one with very sound beliefs. You have my full authority to use my comments under my name, as stated in your letter, and with my blessing.

**Present Taxation Destroys Incentive**

A COMPANY SECRETARY, in Lancashire, wrote: My first impression is favourable in as much as the taxation of land values would simplify the tax system and so reduce the cost of collection. It would also avoid the incidence of high taxation on the highly paid men in the country who are, after all, the men who really matter. This high taxation, direct and indirect, is destroying the incentive of the executive class.—October 12.

This correspondent wrote at some length, raising a number of searching questions and offering certain critical comments, "in good faith," which revealed very careful thought. For instance he recognised the need for frequent revaluations, a point not made in the leaflets he had received. A detailed reply and relevant literature has been sent.

**Interested Sympathiser's Grim Prophecy**

DR. R. T. REDMOND, Southport, Lancs. (two letters):—

My wife and I are interested in taxation of land values and do know a little about it, but only a little—we would like to know all. I saw a reference to Dunedin and the taxation of land values in the *Financial Times* recently and was particularly interested as I lived in New Zealand for three years and know Dunedin well. All the information you can let us have on T.L.V. will be most welcome. I have here a copy of *Progress and Poverty* purchased by my father in 1908 so you see the family have been interested for some time.—October 12.

We already know enough to say we approve but I see that your organisation has been going for over 60 years without really being any nearer . . . Political groups complain of apathy, but it is apathy based on ignorance—the vast majority of people simply don't know what goes on or is being done in the name of the electorate and "democracy" . . . There are people in this town who are ready to use a gun against politicians and bureaucrats but, as yet, they are in a minority. We feel that the country is nearer to revolution than it has been for 400 years and we are not at all sure that armed revolt would not do the trick . . . Political interference with, and opposition to, natural biological laws will, I think, gradually lead to a return of a new kind of dark ages . . .

Henry George wrote in *Social Problems*: "Social reform is not to be secured by noise and shouting; by complaints and denunciation; . . . or by the making of revolutions; but by the awakening of thought and the progress of ideas. Until there is correct thought, there cannot be correct action; and when there is correct thought, right action WILL follow."

We agree, and we are doing what we can to dispel the appalling ignorance of which Dr. Redmond complains. Most cordially we invite his moral and material assistance in our campaign. These replies show that there are people throughout the country just waiting to hear our message.

During this century we have won a number of momentous victories and near-victories, for instance, the 1931 Finance Act and the L.C.C. Site-Value Rating Bill, 1938, in the face of tremendous odds. Each time entrenched, vested interests have been a little too strong for us. Given more money,

and with the help of the new men and women now coming forward, next time we shall succeed.

A revolution would solve nothing: the burning question would still be whether to tax production, buildings, earnings, consumption and thrift, or to collect for the equal benefit of the whole people the value of land which is their's by absolute right.

**Development Stultified—and Promoted**

MRS. B. BENNETT, private secretary, of Redhill, Surrey: I had never heard of taxation of land values. Before considering it favourably I would want to know much more. At the moment I cannot see the argument clearly from such a brief summary. In order to obtain sufficient money in taxation of land values the rate of taxation would be extremely high. Would not this effect agriculture greatly? And would it not work rather like the stultifying development tax recently abolished, and tend to stop landowners from improving their land?—October 13.

These are good questions. Full application of the policy requires that the whole of the community-created value of land should be collected for public purposes, and that all present harmful and wrongful taxation be repealed. Fortunately the policy may be adopted in stages, by progressively increasing the rate of tax on land values, and simultaneously reducing taxation on the work of men's hands. The rate of progress will be controlled by public sentiment and, in that way, no needless shock will be caused to established institutions and habits of thought.

Agriculture would indeed be "greatly affected" and most beneficially. At present the farmer is taxed on his materials, on his production, on his house, and on his consumption. That would cease. And the purchase price of land would fall as the rate of land-value tax was increased, thus opening the land to would-be entrants to the farming industry now locked out by excessive land prices. In Denmark it was the small peasant farmers themselves who led the agitation for land value taxation to be adopted; they have benefited from it in practice as have also the farmers in Australia, New Zealand, and elsewhere.

The "stultifying development tax"—imposed under the Town and Country Planning Act—taxed development, and was consistently opposed in these pages for that reason. A tax on land values takes taxes off developments. That is why it should be supported by every person who produces or owns wealth in any shape or form, be it a house, a factory, a farm, or things in everyday use, such as a table cloth or wireless set. The latter are as much "developments" as are buildings.

**Extremely Favourable First Impression**

MISS PHYLLIS E. HOPE, secretary, of Woolton, Liverpool (four letters):—

With tremendous interest I have read the pamphlet *Can Taxation Be Constructive?* by Hon. Frank A. W. Lucas, Q.C., and would like to say that I feel that this approach to the entire problem of a realistic method of dealing with taxation is something the country is simply crying aloud for—and the sooner it is studied and digested and implemented by those in power, the better for all of us . . .

The other pamphlets seem to give adequate proof of the national and individual benefit to be derived from such a reform, and I would heartily endorse fullest pressure for same. The very fact that we in this country have, by comparison with Australia and New Zealand, so little land would seem to be an even stronger reason for adopting the rating of land values, as it would be fair and just in an entirely new concept of those terms.

I note with interest the reference on the leaflet to the free study-discussion courses in economics, social philosophy and

**Response to New Leaflet—Continued**

taxation, public meetings, and other activities, and would very much like to have full particulars. It is true that one's daily work leaves not too much free time, but widening the appreciation of the public of such vastly profitable study as this deserves attention, and I am more than willing to do my share in absorbing and passing on such valuable knowledge . . .

The taxation of land values is new to me (this being the first occasion I have even heard of it) and my first impression is most definitely extremely favourable. I am very happy to have been the recipient of your kind interest.—October 19.

We have had three further enthusiastic letters from Miss Hope, and have received from her a list of names of recommended people to whom to send our literature. Miss Hope has since contacted the Liverpool branch of the Henry George School and the Merseyside branch of the Land-Value Taxation League, and, by a happy coincidence, she has thereby renewed an old acquaintance with Miss Kathleen Hand, the honorary secretary.

**Present Taxation is Robbery**

C. BROWN, of Edinburgh: During the last thirty years I have heard it advocated that the land should be nationalised. I have never been in favour of this. Is "taxation of land values" a euphemism for "nationalisation"? . . . I hate the present system of legally robbing Peter to pay Paul but I don't see how despoiling the landlord would help to the extent your pamphlets believe.—October 28.

Land nationalisation would concentrate all power in the hands of the state; land value taxation promotes individual liberty. The two policies are wholly opposed. Even the present unjust situation whereby the state confiscates private property by means of taxation, and private individuals appropriate to themselves public property (the rental value of land) is preferable to land nationalisation. We have sent this correspondent a copy of *Land Nationalisation—Arguments For and Against*.

**A Liberal's Suggestion**

A DENTAL SURGEON in the Midlands: I have heard of the taxation of land values for as long as I can remember as a policy put forward from time to time. I am not truly familiar with its import or purport. I am prepared to accept that a scientific method of taxation, carefully thought out, might well be beneficial. The writers whose matter you enclosed, seem qualified to speak as economists.—October 17.

For professional reasons, this correspondent desires to remain anonymous. In a subsequent letter he wrote: "Unfortunately the present political set-up does not promise any revolutionary change. Might not the Liberal Party base its next appeal to the country on taxation of land values? I am a life-long Liberal."

We will pass on the suggestion by sending to a number of leaders of that party a marked copy of this issue.

**Groundless Fears**

ANTON J. KOPPI, Exporter, of Todmorden, Lancs.: If the taxation of land values helps to reduce the cost of living I am, of course, in favour of it. I have a feeling, however, that it may tend to induce landowners, either to sell out to larger undertakings or even to the Government, thus fostering monopolies or nationalisation, both of which I oppose. I may be wrong and I am not putting up an economic thesis to prove my feelings.—October 20.

Mr. Koppi's fears are groundless. The taxation of land values has the opposite effect by destroying what Sir Winston Churchill has called the "mother of all other forms of mono-

poly"—land monopoly. It would promote private enterprise. Present taxation is slowly strangulating it.

**Further Information Requested**

MR. J. C. ROLLO, Principal (retd.), Maharaja's College, Mysore; Petworth, Sussex: The scheme is new to me. I cannot form a decided opinion without more detail. I should much appreciate the "further literature" offered.—October 14.

This has been supplied and carefully studied. Mr. Rollo has since bought some of our books which he intends studying "to try to reach a real understanding of the proposals."

**"What Do Opponents Say?"**

A. PEARCE, Designer, of London, S.W.: I became interested in this some eight or ten years ago when I read Henry George's *Progress and Poverty* with which I was much impressed. Have you any opponents to your case? If so, I should much like to hear their arguments against it.—October 19.

We recommended Mr. Pearce to write to the Association of Land and Property Owners, 1 Victoria Street, London, S.W.1, the successors to the Land Union which was formed in 1909 specifically to fight our proposal. We suggested that he should also seek the views of the three main political parties. Other new readers might like to do the same. We should be interested to learn the outcome.

**We Are Consigned to Nudist Camp in Siberia**

Among many other replies, two deserve special mention. Unfortunately we have not the authors' consent to quote them.

Ambiguously a SCOTTISH LANDOWNER wrote that he was the Superior [*i.e.* ground landlord] of a certain town in Scotland and that he "knew all about the land values racket." It is not clear whether he regarded the private or the public collection of land values as a "racket."

An ENGLISH LANDOWNER dismissed our "extraordinary leaflets" as "biased rubbish," cast doubts on the eminence of the authors, and consigned us to a nudist camp in Siberia! Brrrr!!!

**WHAT YOU CAN DO**

Every reader is cordially invited—indeed, requested—to take copies of this new leaflet for circulation in such ways as may be open to him or to her—for instance to enclose in personal correspondence, or to send with a covering letter to correspondents in the local press, local councillors and Members of Parliament, or to hand out to people attending suitable public meetings in his or her district, or for door-to-door distribution.

The leaflets are free on request (please state precisely the number required) but in view of the high cost of paper, printing and postage, donations towards the cost will be most acceptable. The United Committee is doing all in its power to awaken public awareness of the case for taking taxes off the work of man's hands and levying it instead on the community-created and maintained value of land but, necessarily, it has to rely very largely on the enthusiastic and devoted work of its supporters spread throughout the country.