

LAND VALUES

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(United States and Canada, 50 cents.)**Editorial Offices:**The United Committee for the Taxation
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"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.*

**"THE HOUSING QUESTION AS
AFFECTED BY RECENT
LEGISLATION"**

The Land Union is evidently in funds, notwithstanding the war. It has issued a pamphlet of 24 foolscap pages in large type with a stout green paper cover, all at the modest price of one shilling.

Another inference to be drawn is that the Land Union thinks the war will soon be over. This pamphlet is clearly intended to persuade the home-returning soldier that the landlord is his best friend, and that Land Reformers, under the guise of taxing land values, really wish to tax the workman out of house and home, for the pamphlet is entitled: "The Housing Question as Affected by Recent Legislation. Reasons for Repeal of the Finance (1909-10) Act, 1910." It contains a great deal about the iniquity of valuation and a dribble of housing statistics, but not a syllable of any constructive policy designed to increase the supply of healthy homes for workers returning from the war.

No one has learnt better than the landlord and his friends how to "take cover." Is it proposed to tax them? Straightway the widow and orphan are pushed to the front, while stress is laid on the quantity of workmen's savings invested by societies like the Prudential Assurance Company in freehold ground rents! Are unkind remarks made as to the thousands of acres monopolised for sport and pleasure? The landlord retires discreetly behind the farmer, and assumes the attitude of the benevolent patron without whose aid agriculture could not be carried on! And now that the eyes of all are open to the urgent need for a great increase in the working-class homes, the landlord allies himself with the builder and land developer, and accuses the Finance Act—and above all the Valuation—of being 'he cause of the shortage.

We are far from complaining of this attitude. It has paid too well in the past for landlords to think of abandoning it now. And it will be continued just as long as the workman continues to be taken in by it—not a day longer. Therefore let us to the congenial task of endeavouring to open his eyes. Again and again we have exposed the fallacies, illusions and positive deceptions employed by the landowning interest to keep possession of the spoils of exploited labour; but it is an employment of which we never tire.

The electors have pretty well seen through the landlords' opposition to land value taxation, and it will not be long before they discover that the main result of the guarantee provided by the Corn Production Act is to be a large increase in the value of agricultural land. They remain to be convinced of the economic truth that the provision of healthy homes for all can only be secured by freeing homes from taxation and placing it instead upon the value of land.

With considerable astuteness, and unbounded effrontery, the Land Union blames the Finance Act for the short supply of houses. They say, "Turning now to the arguments advanced in 1909 by the supporters of the Land Values Duties, it was claimed that not only would a tax be imposed on land whose value was enhanced by the expenditure of public money, and land generally be forced into the market at cheaper rates than theretofore obtained, but that large revenues would accrue to the State and the municipalities." We rub our eyes and ask: Who are the supporters of the Land Value Duties? If they ever existed they have now become extinct. Even Mr. Lloyd George and Mr. Masterman would shrink from a label of that kind now. Certainly such "supporters" are not to be found either in the Land Values Group, the United Committee, or any of the Leagues for the Taxation of Land Values. But it serves the purpose of the pamphleteers to put this misleading allegation into a form that will make others think so. Land values men have always advocated a straight tax upon *all* land values. They cared nothing for Increment Value Duty, Reversion Duty or Undeveloped Land Duty. They only swallowed them, with a wry face, because, thanks to the House of Lords, a valuation of land could not be obtained except as a means to taxation of *some* kind. They would witness the repeal of these ridiculous duties without a qualm, provided it was accompanied by the imposition of a simple tax on all land values. The attempt to fasten upon land values men the responsibility for these three duties not only fails egregiously, it must also recoil upon its authors. For what will an honest man think of the cause which requires such methods for its support!

We have indeed used the arguments quoted from this pamphlet in support of a tax upon *all* land values. Nothing has occurred to rob them of one iota of their force or their validity. No one outside Bedlam would expect the three fantastic duties to produce the results anticipated from the more statesmanlike proposal. As the pamphlet shows, they tax many subjects which are not land values and which we wish to free from taxation: the land values they do touch they tax arbitrarily and unequally; and they are infinitely complicated. We agree unreservedly with the pamphleteers that taxation and rating (on land values or anything else) "should be fair, definite and easily ascertained."

The attack on the Valuation is similarly disingenuous. The pamphlet assumes that either the Assessable Site Value or the Full Site Value, as ascertained on the 30th April, 1909, is to be used *as it stands* for a new tax. No believer in the principle of land value taxation will ever agree to a definition of land value that includes improvements, as both these statutory site values do. The fact is that the unnecessarily complicated definitions of all the values in the Act of 1910 were framed for the purpose of assessing the three fantastic duties, and Land Values men had nothing to do with them. The framer, no doubt, was the Government draughtsman of the day, who undoubtedly did his best to destroy the usefulness of the Valuation by overloading the Act with the absurd complications which are now being used—with such eminent fairness—against us by the Land Union pamphleteers. Fortunately, the attempt at destruction has failed. The Valuation has been made—though not in all cases finally settled, owing to the war. And the complications intended to mar its utility have been the means of compelling the valuers to obtain such detailed information as will enable them to bring it down to date on a simple basis, when Parliament gives the necessary instructions.

It will be difficult to believe, but the pamphlet makes absolutely no attempt to connect by argument its allegations against the Land Values Duties with the admitted shortage of houses. The connection is taken for granted—no doubt because it was impossible to frame arguments to prove it. It is simply asserted (in Clarendon type, presumably as a substitute for arguments) "that confidence was and still remains severely shaken not only among the builders themselves, but also in those who theretofore had freely financed the builders and purchasers of the houses erected by them—a class absolutely essential to any builder who would develop an estate."

We have already joined in the condemnation of the complications and uncertainty of these unsatisfactory "duties": but when the pamphlet tells us on another

page that their total yield in six years has been only £746,096, or at the rate of £124,350 per annum, it does not appear that a crushing burden has been imposed on anybody. It is well known that, before the war, for political purposes, house-building was damped down as much as possible; but obviously the cause of three-fourths of the present shortage is the absence of nearly all efficient workers in the building trade, at present busy on a more pressing job abroad. Compared with this an annual burden of £124,350—even if it fell wholly on buildings (which is not alleged)—shrinks into utter insignificance as a cause of house shortage.

We need not here restate the housing question from our point of view. Suffice it to say that, just as Richard Cobden made food cheap by getting most of the food taxes abolished, so, we are satisfied, must houses be cheapened by the abolition of house taxation. There is much absence of thought among a certain school of Housing Reformers. Those who say: "More houses wanted? Build them!" have not begun to study the subject. The building is not the difficulty, it is the paying. And unless the new houses can be let at rents which all classes of workers can afford to pay, thousands of them will remain empty. In most large towns 25 per cent. of the weekly rents of small houses is taken for rates; and a reduction of a rent of 10s. to 7s. 6d., 8s. to 6s., &c., &c., would be an infinitely bigger step towards a solution of the problem than a Government subsidy in aid of building more houses. In the country the problem is altogether different. Rents of agricultural labourers' cottages are low enough; the trouble lies in the passive resistance on the part of the landowner to allow more to be built. A moderate tax on the capital value of all land would easily overcome that. But the rate difficulty cannot be ignored here either. As soon as the labourers' wages are raised under the Corn Production Act, the rents of cottages will go up immediately the law permits, just as surely as to-morrow's sun will rise. And when rents go up, rates go up also.

We do not despair of the Land Union. It has arrived at two sound conclusions in regard to taxation, viz., that it should be *definite* and *simple*. And one of its members*, before the war, threw out the suggestion that a sum of £31,000,000 per annum, now levied by rates for purely local purposes, might be "taken off local rates" . . . "and the fairest way to raise it would be *by means of a rate upon the capital value of land and buildings, or, if preferred, upon land alone.*"

We are agreed, then, upon three cardinal points. After the war we shall make even more rapid progress.

* Mr. Edwin Savill, at the Surveyors' Institution, February 5th, 1912.