

POLITICAL AND ECONOMIC DISCUSSION.

THE CHEAP COTTAGE.

FIRST STEPS TOWARDS GETTING IT.

A LETTER FROM MR. R. L. OUTHWAITE, M.P., PUBLISHED IN THE "DAILY CHRONICLE," APRIL 23RD.

YOUR Parliamentary Correspondent, dealing with the debate on the Tory Housing Bill, reports Mr. Burns's statement "if free sites were given it would only make a difference of $\frac{1}{2}$ d. a week on the rent of the cottage." He proceeds to say that this statement, "proving how small an element in the cost of a rural housing scheme is the ground value . . . fell like a bombshell into the little camp of land taxers where Mr. Wedgwood, Mr. Neilson, Mr. Outhwaite, and Mr. Raffan were congregated. They shouted their remonstrances."

As a matter of fact they did nothing of the kind, and for the simple reason that Mr. Burns's statement, although "cheered again and again by the Conservatives," was a striking confirmation of the arguments used by the land taxers. They urge that the first step towards getting the cheap cottage is to cease taxing it, and that this should be accomplished by levying rates upon land value instead of upon rental value. If the cottage costs £200 the rental value at 6 per cent. will be 5s. a week. Rates as at present levied fall upon 5s. and $\frac{1}{2}$ d. per week—taking Mr. Burns's estimate of ground value. It is fairly obvious that as the building value is one hundred and twenty times that of the land value, the cottager would stand to gain by the transference of rates from rental value to land value. Even under a "single tax," taking in one fell swoop all land value, he would only pay $\frac{1}{2}$ d. a week, whereas he now pays on a village cottage from 1s. to 2s. a week.

For my part, I was scarcely likely to shout a remonstrance, seeing the pains I had taken at the Hanley by-election to show the workers how the occupier of a cottage in the borough built on £20 of land value and assessed at £8 paid £4 10s. a year in rates, and the relief he must get by way of the land value taxation policy. I trust the Conservatives will "cheer and cheer again" on behalf of the labourers when the principle of untaxing cottages and taxing land values comes before Parliament for adoption. But land value will not always be "a small element in the cost of a rural housing scheme" until the taxation of land values has broken down the artificial price of land.

I have before me three documents relating to a Sussex village. One is an order of the R.D.C. calling upon the occupier of a hovel of three rooms to "abate a nuisance" by reducing the number of occupants from twelve to six. Another is a letter from a local builder making an offer of £275 for land on which to build cottages, the price being set out as the highest he could pay and provide cottages at a rent the labourers could afford. The third is the reply demanding £400 an acre. The land was not bought, and the cottages were not built; but if the Housing Bill were to be carried the L.G.B. would be called upon to provide a dole to enable the price to be paid. This builder informed me that, as regards cottages he had built for labourers, he charged in rent per week on top of his profit 10d. for rates and 3d. for tax under Schedule A.

Surely it would be better to abolish this unjust taxation rather than pay doles to mitigate its results. Let us first of all have justice in taxation, and then let us consider how much charity is required. The agricultural labourer, with an untaxed cottage, and with land at use-value for the site, and for a garden or field with it, for he should have more than a ha'porth of land, with a demand set up for his labour by all land being forced into full use, with resultant higher wages, will have little need for charity, and is the last man to ask it to-day.

Finally, are you not less than just to Mr. Burns? I take it he is holding the fort against Tory dole-mongering till the Chancellor of the Exchequer steps into the arena, and for that reason the land taxers appreciate the stand he has made.

ESTATE AGENTS' MEMORIAL TO MR. LLOYD GEORGE.

THE OBSERVER (March 23rd) states that the Auctioneers' and Estate Agents' Institute have forwarded a memorial to the Chancellor of the Exchequer in which they state that they view with considerable alarm the recent decision of the High Court of Justice in the appeal by the Commissioners of Inland Revenue.

"They have always believed," the memorial states, "that the intention of the Act was to tax land and to tax land only with increment value duty in cases where there was a real increase in value on 'occasion,' and they desire to express the opinion that the decision of the Court in the Lumsden case is so much at variance with what was intended by the Act and anticipated by the public that it has caused a feeling of consternation throughout the country, and has already proved a further check upon builders' enterprise, and is causing further great depreciation in the value of property."

The memorialists therefore desire the Chancellor of the Exchequer to advise the Government to amend the Act so as to make it clear that an "owner's profits arising out of his skill, enterprise and foresight in connection with buildings are quite distinct from increase in site value and that only when it is found on 'occasion' that the land itself has increased in value shall increment value duty become payable."

THE HON. A. SHAW ON THE LAND QUESTION.

A meeting addressed by the Hon. Alexander Shaw, prospective Radical candidate for Midlothian, in the Good Templar Hall, Pathhead, on April 5th, is reported in the SCOTSMAN. Mr. Peter Simpson, J.P., presided over a fairly large attendance.

TAXATION OF LAND VALUES.

Mr. Shaw, who was cordially received, dealt with the land question. When they attacked the land question, he said, they had to go right down to the fundamentals. There were two things which added value to the land. There was first what was put into it by those who laboured on the land, the farmer, and the agricultural labourer, and the landlord. That part of the land which was the result of the labours of human beings rightly belonged to the human beings who had laboured on it. But there was another portion of land value which was extremely important. Suppose they took a Midlothian farm and put it in the middle of the Sahara desert, where there were no means of communication, and nobody to sell anything to, what was the value of that farm? It was worth absolutely nothing at all. But take that farm and put it near a market, near a town where people were congregated together, and bring into it the labour of skilled ploughmen and farmers, and they got a value at once. The value was given to it, not by anything which those who laboured on it had done, not by anything that the landlord had done, but simply and solely because of the community which had grown up round it. The very existence of the community had given the value where no value existed before. Again, supposing in what was a country district coal was suddenly discovered. Houses, of course, were required to be built for colliers. The land had a value as agricultural land before, but when the community came in in greater numbers the value of the land went up. That value was value which the community had made, and to which the landlord by his efforts had probably not added a single