

The DAILY MAIL in its issue of September 5th tells an interesting story of what it calls a "Romance of Love and Land Values" :—

Herr Carl Nordhausen, who began life as a non-commissioned officer in the Prussian Army, has died worth £1,750,000, at the age of seventy-five.

His career was a romance of love and land values. As sergeant he was billeted during the military manoeuvres near Berlin in 1862 with a well-to-do yeoman farmer named Hewald.

Hewald's farm at the time had no more than an agricultural value, but this was destined to rise enormously, for the site of the farm is to-day the centre of one of the most fashionable residential districts of Berlin.

Nordhausen wooed and won the farmer's daughter, who inherited the bulk of her father's property. It is said that his will leaves large sums to the suburb of Schoneberg for public purposes in gratitude for the growth of the community which brought him wealth.

Mr. B. W. Huebsch, the publisher of Tom L. Johnson's autobiography, writes :—"The late Tom L. Johnson, Mayor of Cleveland, Ohio, U.S.A., was one of the most noted of the friends and disciples of Henry George. His autobiography, 'My Story,' should find a place in the library of every person striving for the taxation of land values. I earnestly trust that you may use your efforts to bring the book to the attention of your co-workers." Copies of this great work can be had from the offices of the United Committee, 11, Tot Hill Street, London, S.W., price 9s. 6d. post free.

The National Unionist Association is issuing a leaflet bearing the following inscription :—

<p>THE RADICAL POLICY IS TO PUT TAXES ON THE LAND.</p>	<p>THE UNIONIST POLICY IS TO PUT PEOPLE ON THE LAND.</p>
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This is not a "terminological inexactitude." It is a misrepresentation.

Captain C. J. Vasey, the Progressive County Council candidate for West Marylebone, is a strong supporter of the Taxation of Land Values, and in his campaign he places this reform in the forefront of his programme. In the WEST LONDON GAZETTE of September 21st an admirable letter extending to a column and a half appears over his name, in which he deals effectively with some criticisms of the Taxation of Land Values which were put forward in a leading article in the previous issue of that paper. We commend Captain Vasey's example to the notice of other Progressive candidates.

Mr. Fels has received a most interesting letter from a correspondent in Kronstadt (Russia) from which we extract the following :—

To judge by the speeches in the Duma on the land question not one of the members has ever heard of Henry George or his work, notwithstanding the excellent translations of his books and all Leo Tolstoy wrote on the subject. Even in private life I very seldom come across anybody who knows of George and his work, though I never fail to speak of him in season and out of season. Speaking at public meetings and so on is, of course, not to be thought of with such a "dangerous" subject as private property in land. Being in the Government service I am unable to take any part in active propaganda, but if there is any work that I can possibly do to help on the cause I will do my utmost.

A correspondent in Newtonville, Mass., tells in a letter of a Single Tax friend in Montreal who owns a property on one of the principal thoroughfares of about 55 feet frontage by 90 feet deep. Forty years ago he gave £3 4s. per foot for the property; he is now offered £14 4s. per foot and will not accept that figure because values are still rising owing to the increase in population and many public improvements that are contemplated.

HOW THE TAXATION OF LAND VALUES WILL RELIEVE THE RATEPAYER.

By J. W. GRAHAM PEACE.

What are rates and by whom are they paid ?

"Rates are imposts levied by local authorities to defray expenditure payable by them. . . . Unfortunately, the tendency is for rates to increase rather than to decrease, and the only thing the ratepayer can do is to bring pressure to bear upon the councillors, who are elected by the ratepayers, to practise economy." Thus Mr. W. G. Davis, A.S.A.A., Lecturer to the London County Council.—RENT, RATES AND TAXES.

Ratepayers are all occupiers, i.e., users of land, whose names appear in the rate book in respect of such occupancy—not ownership. Owners who do not themselves occupy, or use their land, are not rated in respect of it.

From this it would appear that, since all wealth is created by using land, its creation is viewed with such disapproval by rating authorities that they offer to the owner who keeps land out of use, and so prevents the creation of additional wealth, a bonus, in the shape of entire exemption from rating, while imposing upon users a heavy recurring fine, presumably as a deterrent. A fine, be it noted, increasing in proportion to the use.

For example :—

A. is the occupier of a plot of land upon which is a dwelling-house, he is assessed at £25.

B. is the occupier of a similar plot with, however, a shop and dwelling-house over, assessed at £60.

C. is the occupier of a factory erected upon a plot of land in all respects similar to those of A. and B. His assessment, which will include the fixed machinery used by him in his business, is £150.

With rates at 10s. in the £, these three typical land users will be fined respectively, as follows : £12 10s., £30, and £75.

"The Poor Rate was first levied in 1601 for the relief of the poor. This was the first rate levied," remarks Mr. Davis, and, he might also have added, was the necessary consequence of the landlord-made laws which preceded it. Commenting on this particular rate Professor Thorold Rogers says :—

"Dives is clothed in purple and fine linen, and fares sumptuously every day from the crumbs which he sweeps out of the wallet of Lazarus; if Lazarus has to be fed occasionally, and at last taken care of permanently, the fund which helps him comes, not from the pockets of those who grow wealthy from his want, but from those of others who are made liable in their degree to the same extortion."—SIX CENTURIES OF WORK AND WAGES.

Unhappy ratepayer! Your outlook is by no means a bright one if it be true, as Mr. Davis says, that "the only thing you can do is to bring pressure to bear upon the councillors to practise economy."

In which direction should they begin? The General District rate, he tells us, "includes expenses of sanitary services, such as maintenance of highways, lighting, sewers, health, &c." Shall it be highways? The advent of the motor-bus spells increased, not lessened, expenditure under this head. Lighting? The writer knows of streets where any further attempt to economise could only result in total darkness.

There remains sewers and health. If it were not for the importance which some people nowadays attach to the latter something might, perhaps, be done in the direction of the former. The following extract from the newspapers of July 23rd last will, however, be of interest in this connection.

"It seems rather extraordinary to find three towns like Chatham, Rochester, and Strood, which have a total population of about 80,000, with no system of main drainage. Many of the houses have nothing better than open cesspools, which are emptied at night and the soil carted away through the streets. It is estimated that to carry out a complete system of drainage for the three towns will cost £150,000, and this means a rate of at least 2s. 6d. in the £.

At present the rates in Rochester are 9s. 2d. in the £, and at Chatham about 1s. less. The traders are already groaning under a burden which they find it hard to bear.

If that burden is increased to the extent suggested, they will be driven into bankruptcy. Further there are many large industrial concerns at Rochester which employ hundreds of hands, and these threaten to leave the district if the burden of local taxation is increased."

Now for the sequel. A few days after the report above quoted appeared I read the following in my daily paper:—

"The Kentish town of Strood, which adjoins Rochester, is suffering from a serious outbreak of typhoid fever. . . . The epidemic is not confined to any particular area, but is general throughout the parish. . . . The view is held by many that these outbreaks will be less likely to occur when Rochester and Strood get a system of main drainage."

This seems a reasonable expectation; but what of the unfortunate ratepayer? Unless some means other than the present be found of defraying the cost of these vitally important services he will have to choose between bankruptcy and no typhoid, and typhoid and, perhaps, no bankruptcy.

There is no escape from the burden of the rates by way of economy. The tendency is, and must always be, for a higher standard in all public or communal services, and this must, of course, be paid for. The question is how to raise the revenue without penalising the wealth producers, and to that I will now address myself, pausing for a moment to note another aspect of this "burden" to which the Rt. Hon. Charles Booth directs attention.

"To the adverse influence of the present system of rating on building enterprise I would now call attention. . . . Building is at present paralysed. A property . . . is perhaps old and out of repair, but if the owner should rebuild and by so doing increase its annual value say, from £300 to £600, the occupier would, on the system now in use, have to pay not only this additional rent, but also double the amount of the former rates. This might be sufficient to turn the scale, and the owner, instead of laying out fresh capital, will probably patch up the old buildings and make them do for another ten years."—LIFE AND LABOUR OF THE PEOPLE.

Possibly this accounts for the inscription sometimes seen chalked upon a barrel-organ: "Builder's labourers out of work."

On May 18th, 1911, there was presented to the Prime Minister and the Chancellor of the Exchequer a memorial signed by 173 Members of Parliament (and re-affirmed this year), asking that the policy inaugurated by the Budget of 1909 be continued and developed by:—

Making land values available for public needs.
Freeing industry from monopoly and undue burdens of taxation.

Completing the policy of Free Trade by
(a) Securing greater opportunities to produce in our own country by affording greater opportunities to use the land; and
(b) Abolishing the duties that remain on the food of the people.

They asked that this policy should be carried into effect by:—

- (1) Hastening the completion of the valuation of all land, apart from improvements, provided for in the Budget of 1909-10;
- (2) Making that valuation accessible to the public;
- (3) Empowering local authorities to levy rates on the basis of that valuation;
- (4) Levying a Budget Tax on all Land Values, to be applied:
 - (a) In providing a national fund to be allocated toward the cost of such services as education, poor relief, main roads, asylums, and police, thereby reducing the rates; and
 - (b) In substitution of the duties on tea, sugar, cocoa, and other articles of food.

With sub-section (b) I am not here concerned. My readers will be able to calculate for themselves the measure of relief its adoption would afford the house-keeping account. It is with sub-section (a) that I propose to deal.

"In spite of subventions from the National Exchequer, under various Acts of Parliament, householders are very heavily rated to meet a vast amount of expenditure

which should be defrayed by the whole people," say Messrs. Chomley and Outhwaite, in their interesting and most useful book, THE ESSENTIAL REFORM.

How great is the injustice of national burdens being, as at present, locally borne, will be quickly apparent to the reader who takes the trouble to peruse his General Rate Demand Note in the light of the definition of national services given in the Report, issued in 1901, of the Royal Commission on Local Taxation, wherein it is stated that:—

" . . . the presumption is that a service is national when the State insists on its being carried out, and on a certain standard of efficiency being reached . . . we consider poor relief a national service. . . . Under poor relief we include the maintenance of pauper lunatics, the provision of asylums, and also the minor onerous services administered by Boards of Guardians and Overseers, viz., registration, valuation, vaccination, and some others. Police and criminal prosecutions are also pre-eminently national. Education is also national in a high degree. . . . Under education we include technical and secondary as well as elementary education. . . . The maintenance of main roads we also consider on the whole to be to some extent a national service, and likely to become more so, owing to the increased mobility of the population and the development of new means of locomotion."

I have on my desk, as I write, the latest "Demand Note" served upon me by the Rate Collector for the district in which I reside.

The amount of rate is 3s. 10d. in the £. As a matter of curiosity I have divided the "Purposes" under two heads, national and local, with the following result:—

National.	
Relief of Poor and expenses of Guardians	10.90
London County Council, County Purposes	9.11
London County Council, Education Purposes	11.39
Receiver of Metropolitan Police	3.48
Central Unemployed Body13
Public Health	2.17
Lighting (half-cost)52
Streets	3.13
	<hr/>
	3s. 4.83d.
Local.	
Lighting (half-cost)52
Streets	3.14
Sewerage26
Public Libraries Act50
Other expenses75
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	5.17d.

Had the national services been charged to the fund above proposed, I and my fellow ratepayers in this particular district would have been called upon to contribute for the current half-year rather less than 5½d. in the £, instead of 3s. 10d. A relief equal to nearly eight-ninths of the present burden.

That such relief is possible will seem incredible to those who have never studied this question. "How will the difference be made up?" they will naturally ask. For answer I would refer them to the words of the Memorial quoted above, asking particular attention to the fact that the "tax" is to be "on all land values."

That is to say, assuming a Budget Tax of, say, 2d. in the £, every £1,000 worth of land value anywhere, irrespective of the use or non-use of the land to which it relates, would contribute £8 6s. 8d. annually to the National Exchequer.

The owner of an acre of land in the City of London worth, as proved by recent sales, £4,000,000, would pay £33,333 6s. 8d. yearly to the people whose presence and industry alone create and maintain that value.

According to the DAILY MAIL, the Duke of Westminster will be drawing £1,000,000 a year in ground rents from London alone.

This represents a capital value of, at least, £25,000,000. His Grace's contribution to the maintenance of those public services, without which Mayfair would not be the

very desirable residential quarter it now is, would then be £208,333 6s. 8d. per annum.

At first sight this may seem to some a very heavy tax upon an individual, but is it so? Is not the correct view this—that the Duke will be prevented from taking from his fellow-citizens that amount of publicly created value? His Grace would still be left with a "living wage," while, as a citizen, he would share in the relief afforded to local rates.

As to the justice of taxing land values for this purpose, Mr. (now Lord Justice) Fletcher Moulton, writing in 1889, said:—

"The position of local taxation in our towns is therefore as follows:—The proceeds are to a large extent expended in creating and maintaining the enormously enhanced value of the land upon which the town is built, while the owners of that land, who profit thereby, contribute little or nothing directly, and but a small and uncertain part indirectly, to that taxation. . . . There can be no reason in fairness why those who enjoy the increased values should not bear the cost of increasing them.

Though the growth of local expenditure is strikingly rapid, it is less so than the rise in the value of the town land, so that side by side with the increase of that expenditure, there is created a property which grows even more rapidly, and which, as it owes its origin to that expenditure, constitutes the natural source from which it should be supplied."

"How will the 'widow and orphan' be affected?" some reader is sure to ask. Let the following figures of two cases known to the writer supply the answer.

A. Leasehold dwelling-house. Rental value £40.
Ground rent £6 at 25 years' purchase = Land value £150.
As this works out at nearly £10 per foot frontage for the site the occupier is paying full rental on the land value; the tax would therefore be paid by the owner of the ground rent.

Assessed at £32.
Rates at 7s. 8d. in the £ now pays .. £12 5 4
" " 10d. " would pay .. 1 6 8

A reduction of £10 18 8

B. Freehold dwelling-house. Similar to above.

Assessed at £28.
Rates at 7s. 8d. in the £ now pays .. £10 14 8
" " 10d. " would pay .. £1 3 4

Land Value £150 at 2d. 1 5 0
£2 8 4

A reduction of £8 6 4

In conclusion. This is not a matter of the difference between Liberal and Tory: the Rate Collector knows no such distinction but serves his Demand Note alike on the just and the—other sort.

It is a citizen's question. Already over 550 rating authorities, including almost all the great municipalities, have declared in favour of the principle of the Taxation of Land Values, and the reader who would hasten the application of that principle can best assist by making this the test question at all elections.

THE LOOK-OUT MAN.



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PREMIER: "What are you looking for now, George?"

CHANCELLOR: "I wish you wouldn't ask silly questions—Land, of course."

—DAILY GRAPHIC, 12th Sept.