

increase of rent over 1s. an acre, as in his father's time. But the decent homes that we saw had been bought, as we were told, at an average price of £25 per acre under the Land Acts. All the vaunted tenants' protection laws, land assistance schemes, and the rest, worked out in making these poor simple people buy from land grabbers the improvements they and their fathers had made on bogs and hilltops, at £25 an acre, and on top of this forcing them to pay ferocious rates on these purchases before they were paid for, while graziers on the rich valley lands at their feet were indulged. For these economic wrongs the torch, the bomb, the knife are no remedy, still less the constable's club. The economic cure is in operation of a just and truly Irish system of local and general taxation, carrying out the majestic will of a great, a free, a brotherly people, as expressed by electoral support of leaders who are just and public-spirited.

The economic tendency is for improvements in the value of a farm to be reflected in the increase of rent, and history affords glaring cases in which almost worthless land has been made valuable by the exertions of the tenant, with the result that the rent has soared far beyond its original level.—*Western Press*, 8th December.

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I have in my mind the case of a small farm. At the time of high prices the owner raised the rent about 20 per cent, which the tenant agreed to pay; but after a few years, with falling prices, the tenant found himself unable to carry on at the increase, and gave notice to quit. The farm has since been let at an increase of about 35 per cent above pre-war figure. Who in this case derives the benefit of the reduced rates? Does not all go into the pockets of the owner?—WM. MUTTON (Altarnun, Launceston) in the *Western Morning News*, 14th November.

* * *

Replying to Mr Mutton in the same paper (17th November) Mr A. M. Williams, Conservative M.P., wrote: "I agree that there is a tendency for the landlord to benefit by agricultural legislation on a renewal or change of tenancy, but the landlord is a partner in the industry, and deserves at any rate some share in the benefit of agricultural legislation."

To him that hath shall be given and from him that hath not shall be taken away even that which he hath.

* * *

The root cause of the trouble lies in the iniquity of civil laws pertaining to land and taxation, and until these are reformed and based on principles of equity and justice there never can be permanent peace or prosperity in industry or social life. The iniquity of the civil law lies in the fact that it has made land to be private property, and bases taxation on the use of land instead of on its economic or selling value.—J. CALDWELL in the *Ardrossan Herald*.

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The Rev. W. Drury, Binsted Rectory, Arundel, had a timely letter in the *West Sussex Gazette*, 29th December, calling attention to "the profits arising from the sale of land which has acquired its value largely owing to the making of a road by which it becomes accessible." He invited anyone interested in the means that should be taken to make these values available for paying the cost of the roads to communicate with him for information.

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The large demand for our Land Value Rating Leaflet, *A Tale of Two Cities*, has induced us to print a further supply. Order copies now at 2s. 6d. per 100 post free.

LOCAL TAXATION IN THE BRITISH EMPIRE

By Col. Josiah C. Wedgwood, M.P.

The new pamphlet* Col. Josiah C. Wedgwood, M.P., has produced giving an account of local taxation in the British Empire will be specially welcomed by speakers and writers on the land value policy. Most of the space is devoted to the progress that has been made with respect to land value taxation for local purposes in New Zealand, Australia, South Africa and Canada. The facts about these countries have been published from time to time in *Land & Liberty* and are spread over many issues of the journal. Here they are assembled in a compact and concise form making an up-to-date compendium that serves a much-felt need. The reader will be grateful to the author for such a handy work of reference, including as it does much general information about methods of taxation not only in the self-governing Dominions but also in the Crown Colonies and the mandated territories, with plentiful mention of acts and ordinances.

In a foreword the Rt. Hon. J. H. Thomas, M.P., writes: "Thanks to the work of Mr Wedgwood those concerned with questions of local taxation in the Empire now have the facts readily available and will be able to form an accurate opinion on the subject."

At the end Col. Wedgwood almost playfully remarks that he is merely recording what is done in all the different countries he names and that it was no part of his task to argue for one method or another—to which the readers may well reply that he is indebted all the same to the author for learning so much from him about the practical application of land value taxation, which at the outset he declared to be "best of all." Col. Wedgwood's facts in that regard are his arguments and answer the question he himself puts: "As all land value is the creation of the community, what could be juster than to base taxation on that value and so recover for the local authority (local taxation being the matter in hand) a larger part of the value they had created? Besides, any doubt about the message of the pamphlet is removed in the quotation from the Labour Party's declaration at Liverpool (1925) in favour of the taxation and rating of land values; and in the page given to well-chosen statements made by Mr Ramsay MacDonald and Mr Arthur Henderson—the latter, by the way, not being from a speech, as the reader might infer, but from the letter written by Mr Henderson to the International Conference on the Taxation of Land Values held at Oxford in August, 1923, and having therefore all the more weight.

Although the pamphlet is intended to deal with the British Dominions only, methods in operation in other countries are described, several paragraphs very well placed being devoted to continental practice and to the United States. The only criticism we would venture is that there was not space for more than a line about Denmark, although what has been done there to introduce a measure of land value taxation for both national and local purposes based upon systematic and periodic valuations, is of exceptional importance as a lesson to the rest of the world.

Two observations may be permitted on matters of detail. In the section dealing with South Australia

* *Local Taxation in the British Empire*. By the Rt. Hon. Josiah C. Wedgwood, D.S.O., M.P., with a Foreword by the Rt. Hon. J. H. Thomas, M.P. Price 3d. Post Free 3½d. Published by the Author in Association with the Labour Party, 33, Eccleston Square, London, S.W.1.

it is stated that the Municipal Corporation Act of 1923 gave the Councils and the ratepayers the option of deciding to rate land values. This is apparently a consolidating Act since the land value rating powers were provided for in the Land Values Assessment Act of 1893, South Australia having been in advance of New South Wales and New Zealand so far as legislation is concerned. In respect of Queensland it is stated that the land value in the Shires works out at an average of £112 per head of population (as against £57 per head in the towns and cities) and if all the rates and taxes levied on land values be capitalized and added "it will be seen that land value is high in Queensland; further, that it is high "because no improvements to be put upon the land are liable to taxation at all." We do not follow the reasoning; it is, in fact, disproved immediately in the remark that "private land values are naturally low." If it were true that the exemption of improvements *accompanied by land value taxation* made land dearer to buy or rent, "private land value" (the part enjoyed by the landowner after all taxes are paid) would naturally be high. But it is not true, for land value taxation and the exemption of improvements working together act in the same direction to raise the margin of production and keep rent down. In any case, conclusions regarding high or low land values drawn from the figure "per head of population" are apt to be deceptive where a vast area and a scattered population are in question; in Queensland, for example, the average selling value (as assessed) is no more than 2s. 3d. per acre. And while the average value in the Shires of Queensland is £112 *per head*, it is £210 per head in the Shires of New South Wales and as much as £437 in the counties of New Zealand. On the other hand the figure works out at £112 for Sydney and suburbs and at £124 for all the Boroughs in New Zealand. Comparisons of figures from different countries must at the same time recognize that one country may not assess land value as carefully, accurately and frequently as another.

But these are passing reflections and in no way detract from the excellence of Col. Wedgwood's new contribution, for which he is to be warmly congratulated. We recommend the pamphlet to all our readers as an invaluable guide to the progress achieved in other countries.

A. W. M.

HOW THE PRESENT RATING SYSTEM OPERATES

Sir Edgar Harper, late Chief Valuer to the Board of Inland Revenue, says:—

"The amount of taxation, serious as it appears, is not so important as the method by which it is imposed. This side of the question is best illustrated in the case of local rates. These are levied in proportion to net annual value. But it is *not* the annual value of each property in the market, but the annual value of the use that happens to be made of it. Land may have a high value for building, but so long as the occupier chooses to use it for grazing, it can only be rated as pasture. A costly building will have a high rateable value, but on the adjacent similar plot a wooden shanty may be put up, and its rateable value will not be one-fourth as much. And unoccupied land and property is not liable for rates at all. Thus the man who keeps land and buildings out of use pays nothing; he who uses them but partially pays little; he who uses them fully pays more, and he who improves and extends them pays most of all. It is difficult to imagine any system of taxation better calculated to discourage enterprise or to keep industry on the lowest level at which it can continue to exist."

THE SUGAR BEET SUBSIDY

On the 14th December the House of Commons voted a supplementary sum of £900,000 in respect of the subsidy on sugar made from home-grown beet. The scandal of this wasteful and wanton expenditure of public money was fully exposed from the Opposition benches in the speeches delivered by Mr Walter Runciman (Liberal), Sir Godfrey Collins (Liberal), Mr Andrew MacLaren (Labour), Mr W. Thorne (Labour), Mr A. V. Alexander (Co-operative), Mr J. Jones (Labour) and Mr Thurtle (Labour). But all their reasoning counted for nothing against the overwhelming vote at the service of our Protectionist Government.

In an interview with the *Manchester Guardian*, 15th December, Mr Runciman put the matter in a nutshell: "The subsidy this year is so large that it would pay to buy in Holland, say, the whole tonnage of the sugar produced, to bring it over here by ship, and to give it away to the consumers for nothing. You would then save enough to pay the people employed in the industry £3 a week each for three months (they work three months in the year), and you would have left £1,600,000 to distribute among the other farmers of the country. The direct subsidy has amounted in the year to £5,400,000. By relieving this sugar of Excise duty another £1,100,000 has been lost to the Exchequer, making a total cost to the Exchequer of £6,500,000. It comes to more than a penny subsidy for every penny-worth of sugar produced."

Already £10,000,000 has been given in subsidy, and by the time its period reaches an end, more than £20,000,000 will have gone "down the drain," as one speaker in the debate aptly described this criminal misuse of public funds.

INCREASED ASSESSMENTS

The New Rating and Valuation Act

Birmingham, Brighton, Leeds, Newcastle-upon-Tyne, Northampton, Reading and Portsmouth are among the towns where new assessments are being made under the Rating and Valuation Act. The newspapers report big increases in the total assessment of these places—and many complaints. We do not wonder at the increases, the last general assessment having been made so many years ago. As for the complaints, they are not surprising either, for it is the new building, the improved property and the homes and workshops of the people that bear the whole brunt. Not a penny is added to the assessment of vacant land, no matter how much its real value has increased; in fact, under this Valuation Act, a curious name indeed, it remains on the roll as worth nothing at all! The vacant lot industry flourishes; there are no complaints from that quarter either against "harsh assessors"—or the "burden of rates" we hear so much about these days.

TOWARD THE LIGHT

By Mary Fels

We are indebted to Mrs Fels for a copy of her new book, *Toward the Light*, published by George Dobsevage, New York. It is a collection of thoughts about the religion, the ethics and economics of the injunction that "Man finds his soul in the search for God." The book reaches us as we go to press. From its pleasantly discursive pages we have marked for quotation in a future issue some of the passages that show the authoress has well in mind the social justice inherent in land value taxation.