

we come in? Unless you admit us to this ring you will get no materials." The result was that the builders' merchants combined with the manufacturers to introduce a price-list. It was a serious thing that a body of men should enter into such an indecent transaction, entailing not 20 or 30 per cent. but 800 to 1,200 per cent. over some pre-war prices. Owners and builders were held up by this ring, and it was scandalous. There was not one article that did not come under one combine or another.

It is an insult to the public intelligence to suggest that a gift of £150, or of £500 for that matter, is a remedy in this state of affairs. The Government may vote such a dole, but houses will be no cheaper to the occupiers. It will only tend to raise still further the price of monopolized goods and the price of monopolized land. The builder, whether public or private, is in the hands of the interests who own the ground on which houses must be built, and the land from which alone raw materials can come. The Government will not smash this ring. It gives aid and comfort to those who have formed it. The result is all-round scarcity, limited employment in every industry and occupation, and wages brought down to the subsistence level.

The great impediment to any progress with housing reform is the iniquitous rating and taxation system which encourages the holding of land from use and heavily penalizes building and improvement. Property is valued at the rent at which it would let in its existing condition, and he who uses his land not at all, however high its real value may be, escapes scot free. On the other hand, he who builds and improves is taxed to the hilt. In recent months we have given numerous examples of the workings of this glaring injustice, and of the way in which it protects the speculator in land. An instance occurs to us from Kingston, one of many but less striking than others that might be quoted. Twenty-one acres were bought for £6,720, equivalent to a true annual value of £336. That land was paying no more than £13 in rates. Two hundred houses will be built, and when occupied the rates will be at least £1,000. This means that for permission to use that land occupiers must pay £1,336 a year, whereas before the rate-payment had been only £13. The imposition of this vicious hostile tariff supplies the answer to those who use the spurious pro-landlord argument, voiced the other day by Dr. Addison himself, that "the price of land does not count." Let anyone try to bring any other goods to market which are taxed at the same furious rate, and see with what success he could sell them to customers who, by the incidence of the tax in other directions, are denied a job or are forced to work for only a living wage.

The price demanded for the ground on which houses are to be built is in many cases exorbitant. Too often it is prohibitive. Frequently the owner refuses even to name a price. But the solution of the problem goes very much farther than a reduction in that price alone, or the expulsion of that particular land monopolist. The land question has wider and deeper relations to the housing question. The difficulties in regard to the latter will speedily disappear as land is forced into its best use, giving freedom to produce goods from Nature's limitless store of raw materials, and offering to every man the full reward for his labour.

A. W. M.

HOW TO COLLECT THE LAND-VALUE TAX (OR NATIONAL LAND-RENT)

BY JAMES DUNDAS WHITE, LL.D.

General Principles

1. The land-value tax ought to be regarded as a rent payable to the nation for the land. It should be treated as a national rentcharge on the land, having priority of all other charges, and in the event of non-payment the State—as representing the nation in its corporate capacity—should be entitled to resume the land. The following scheme would apply these principles both to the simple cases where only one person has an interest in the land, and also to the complex cases where two or more persons—as, for instance, a landlord and a tenant—have interests in it, by providing an arrangement under which, if either of them fails to pay his share of the tax, the other may make substituted payment of it under proper safeguards, so as to secure his interest against the resumption of the land by the State and also against claims by the defaulter.

Registries of Interests and of Tax-payments

2. In order to facilitate the working of the system, Registries should be set up in the various localities for the registration of the interests in each property and the tax-payments in respect of it. The interests, if more than one, should be entered in the order of their apparent priority, beginning with that of the owner of the fee-simple, and being continued in descending order. Registration should be voluntary; but no application for tax-payment should be made to, and no tax-payment should be receivable from, any person whose interest was not entered on the Register. Any person should be entitled to have his interest registered, provided that any other persons already on the Register in respect of the property were agreed as to its being registered in the place claimed for it; in almost all cases there would be agreement as to the priority of the interests, and in the event of a dispute, the question should be settled by process of law. Interests dating from after the commencement of the system should, in cases of conflict, have priority according to their respective dates of registration. The Register should be open to public inspection on payment of a reasonable fee.

Method of Tax-collection

3. The collection of the tax (or national land-rent) should then be worked along the following lines:—

(1) If there is only one registered interest in a property, the original application for the tax should be made to the owner of that interest. If he pays within a certain time, no question arises. If he does not pay, his interest should be deleted from the Register, and the State should credit itself with making substituted payment, receiving thereupon the rights of the substituted payer.

(2) If there are two registered interests in a property, the original application or applications should be made in accordance with the scheme for proportional contribution (as set out in *LAND & LIBERTY*, November, 1919). If the owner of an interest to whom an original application is addressed pays within a certain time, no question arises. If he does not pay, his interest should be deleted from the Register, and application for substituted payment should then be made to the owner of the other interest. If he pays within a certain time, he should thereupon be entitled to the rights of the substituted payer. If he does not pay, his interest also should be deleted from the Register, and the State should step in as described.

(3) If there are three or more registered interests in a property, the same procedure should be followed, the application for substituted payment being made to each

in turn. It should be made first to the person whose interest is next below that of the original defaulter, and so on in descending order through the inferior interests; then to the owner of the interest next above that of the original defaulter, and so on in ascending order through the superior interests. If any one pays within a certain time, he should receive the rights of the substituted payer, and the application would, of course, get no further. If any one fails to pay within a certain time, his interest should be deleted from the Register, and the application for substituted payment should be made to the next in order; and if they all fail to pay, all their interests should be deleted from the Register, and the State should step in as described. This description is intended to cover even the most complicated cases. In practice, the succession would generally be much more simple, and the advantages given to the substituted payer would secure prompt payment.

(4) If any tax-payment is not made when it becomes due, it should be treated as a debt to the State, chargeable on the land and accumulating automatically at 5 per cent. per annum compound interest (apportionable as 1d. on the £ or any less sum for any month or less period), and the accumulations should not be subject to any time-limit. Any substituted payments should be deemed to accumulate in the same way in favour of the substituted payer as against any defaulter, this expression being used to include both the original defaulter and the owner of any other interest who has let the application for substituted payment go past him.

Rights of the Substituted Payer

4. The substituted payer should have the following rights:—

(a) He should be entitled to possession of the land as against any defaulters, and no defaulter should be allowed to set up any claim against him in respect of it, except after making full repayment of the total amount of all his substituted payments, accumulated as described.

(b) As from the time when any defaulter's interest is deleted from the Register, any subsequent application that would otherwise have been addressed to the defaulter should be addressed direct to the substituted payer, and his payment of it should be deemed to be a substituted payment.

(c) If the substituted payer is a lessor, he should be entitled to terminate the lease as against the defaulting lessee in the same way as if there had been a breach of the fundamental conditions.

(d) If the substituted payer is a lessee and continues to hold the land as against the defaulting lessor under these powers after the lease has expired, his doing so should be deemed to be the exercise of a statutory right, and should not be subject to the payment of rent or the other conditions of the lease.

(e) If the substituted payer makes any expenditure which he is not under legal obligation to make on the property, and obtains a certificate from the taxing authorities that it, or any part of it, was reasonably necessary in the interests of the property, he should be entitled to have the amount of the expenditure so certified entered on the Register and treated as if it were an additional tax-payment.

(f) If a defaulter makes full repayment within ten years and has his name re-entered on the Register, any claim that he may have against the substituted payer for rent or the performance of any other obligation should revive, but he should not be entitled to interest thereon or to any other compensation for the delay, which was due to his own default.

(g) If a defaulter does not make full repayment within ten years after his first default, all his claims in respect of the land should be extinguished.

(h) Any person who, if his interest had been registered promptly, would have received applications for original or substituted payments but who, owing to non-registration, has not received them, should be deemed a defaulter in respect of them, and should be subject to the same disabilities as any other defaulter.

(i) Repayments to substituted payers should be required to be made through the Registry, and no repayment should be

accepted there short of full repayment of all the substituted payments that the substituted payer has made, together with compound interest as described up to the date of repayment.

Effects of Proposed System

5. Under this system, which is based on treating the land-value tax as a first charge on the land, the collection of the tax would be simple and cheap, and the payments would be prompt and certain. Nor would these be the only advantages. The use of the tax-payments to fortify the payer's title, combined with the extinction of interests that had been in default for more than ten years, and the rule that interests and transfers dating from after the commencement of the system should have priority according to their respective dates of registration, would soon make title to land everywhere almost as simple, as certain, and as easily ascertainable as title to Consols.

"RANSOM"

"We must go to Lloyd George and, in a perfectly frank manner, remind him of his Limehouse speech, and to Austen Chamberlain and remind him of his illustrious father's speech in which he told us of the great ground landlords who 'toil not, neither do they spin.'"

"We must resuscitate the doctrine of ransom, and get back for the service of the people the land values of London. Every penny that goes to ground landlords is a tax on the industry and labour of the workers. No one understands this better than the Prime Minister, and if he will not act, then we must start a municipal campaign to break the Coalition as we have broken Boodle and Bumble."

So writes "One of the Victors" in the DAILY HERALD, of 5th November, in a column article explaining the outlook and policy of the Labour Party and the immediate demands to be made by Labour in municipal politics.

The "doctrine of ransom" was that enunciated by the late Mr. Joseph Chamberlain in his famous speech in Birmingham on 5th January, 1885. He said:—

"If you will go back to the origin of things, you will find that when our social arrangements first began to shape themselves every man was born into the world with natural rights—with a right to the share in the great inheritance of the community, with a right to a part of the land of his birth. Well, but all these rights have passed away. The common rights of ownership have disappeared. Some of them have been sold, some of them have been given away by people who had no right to dispose of them, some of them have been lost through apathy and ignorance, some have been stolen by fraud, and some have been acquired by violence. Private ownership has taken the place of these communal rights, and this system has become so interwoven with our habits and usages—it has been so sanctioned by law and protected by custom that it might be very difficult, and perhaps impossible, to reverse it."

"But then, I ask, what ransom will property pay for the security it enjoys? What substitute will it find for the natural rights which have ceased to be recognized."

"I think in the future we shall hear a great deal about the obligations of property, and we shall not hear quite so much about its rights. What are the rights of property?"

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