

the pledge, which I think the House and the country would not tolerate for a moment. The cost has greatly increased. Hon. Members opposite, I know, will say that it is because you are buying land too dear, and they will ask, "Why do not you buy cheaper?" I agree that land has gone up in value to some extent. [An Hon. Member: "Why?"] Because the value of the produce is more. Everything has gone up. But the value of land has not gone up nearly so much as most things. Whereas the cost of living has gone up 100 per cent., my information is that town land has scarcely gone up at all. Bad agricultural land has not gone up at all, but the good land has gone up 25 or 30 per cent. Even granted that the value has gone up and that we are buying land, good land, at 25 per cent. more than we could buy it before the war, my point is that the cost of the land is the smallest item.

Although I do not disguise the fact that land has gone up to some extent, the greater extra charge is due to the extra cost of buildings, loan charges and rate of interest. Those are the difficulties we have to face. How do we propose to get over those difficulties. First of all, there is the difficulty that most of the land is occupied and well occupied. We try to get over that difficulty in this way, by as far as possible buying land which is intact, where farmers are farming their own land; secondly, by buying where there are large farms or multiple farms; thirdly, by buying land which is in the possession of the War Office, or the Air Force, or some other body which has acquired land during the war; and, fourthly, by using some of those badly cultivated farms of which possession has been taken by the agricultural executive committees. In all these ways we hope to reduce the dispossession of existing tenants to a minimum. That will be our policy.

I come now to the difficulty of time. How do we propose to deal with that? By the first two clauses of the Bill, which give us very drastic powers. When you acquire land compulsorily now, you have to get your Order confirmed after public local inquiries. For two years, during the emergency period, we sweep that away altogether. If a council, having obtained the consent of the Board in advance under Clause 9, makes an Order for acquiring the land, then, without any further public inquiry or confirmation, the Order becomes valid and the land will belong to the council, and the compensation will be settled afterwards. We enact in Clause 2 that during the emergency period we may enter into possession by merely giving fourteen days' notice. There and then a council may enter into possession and begin equipping the small holding at once. We want to begin equipping it at once, and we want to begin to build. We say that here we want the right to enter at once and build a pair of cottages in that field, and we want the right to enter there and build another pair. We shall pay compensation for any damage we do in that process, but for the rest, of course, the farmer may stay on, provided only that we may make a beginning with these small holdings. That is not all. In the event of our really ejecting a tenant there is ample compensation. We have to pay the tenant who is turned out, not only for the value of everything in or on the farm, we have to pay the cost of his removal, and we have to pay his estimated profits as from the day when he was turned out to the first day on which under his agreement he could have been turned out.

The prospective tenant is not to pay a rent based on the cost of establishing the small holding. He is to pay such a rent as he might reasonably be expected to pay having regard to the real value of the soil. In other words, the provision which is in the present Act, whereby a holding may only be let at such a rent as will recoup the council, is swept away for a period of seven years. This is how it is done: At the end of each financial year the councils will let the Board know the deficit, whatever it may be, between the loan charges they have incurred in setting up the holdings, and the rents they receive. That deficit will be paid by the Treasury out of the Small Holdings Fund each year. That will last for seven years. At the end of the seven years two valuations will be made, or rather one estimate of cost and one valuation. We shall ascertain what the holdings cost to set up, and we shall ascertain what their then value is at a proper rental value, and the difference will be wiped out, that is to say, the Board will assume payment of that part of the loan charges representing the difference or deficit and we shall then hand over to the county councils the whole of the holdings on a self-supporting basis.

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LAND AND HOUSING

[Correspondence appearing in THE TIMES of 16th, 19th and 22nd April, following the statement in that newspaper of the Manchester case, which was also referred to in our April issue. It should be noticed that there is some divergence in the figures respecting the Anson Estate. The MANCHESTER GUARDIAN of March 3rd stated the price was £49,410, and we ourselves have had official information from the Manchester City Chambers that the rateable value was £316 5s.]

To the Editor of THE TIMES.

Sir,—The facts of the Manchester case, as set out in THE TIMES of to-day, deserve special attention. For land which was being rated on an annual value of £315, the Corporation had to pay no less than £47,800, equivalent to 126 years' purchase of the annual value for rating. Around almost all our large towns and in many country districts it is the same story; there are more or less idle lands which are being rated on low valuations, but for which ransom prices are demanded when they are wanted for building. The Acquisition of Land Bill is quite inadequate, as it does not go to the root of the evil.

The evil was recognised and the true remedy was recommended by the Royal Commission on the Housing of the Working Classes as far back as 1885, in a Report which was signed by the majority of the Commissioners, including the late King Edward, then Prince of Wales. Here is what was said (Blue-book C.4402 of 1885, at p. 42):—"At present, land available for building in the neighbourhood of our populous centres, though its capital value is very great, is probably producing a small yearly return until it is let for building. The owners of this land are rated not in relation to the real value, but to the actual annual income. They can thus afford to keep their land out of the market, and to part with only small quantities, so as to raise the price beyond the natural monopoly price which the land would command by its advantages of position. Meantime, the general expenditure of the town on improvements is increasing the value of their property. If this land were rated at, say, 4 per cent. on its selling value, the owners would have a more direct incentive to part with it to those who are desirous of building, and a twofold advantage would result to the community. First, all the valuable property would contribute to the rates, and thus the burden on the occupiers would be diminished by the increase in the rateable property. Secondly, the owners of the building land would be forced to offer their land for sale, and thus their competition with one another would bring down the price of building land, and so diminish the tax in the shape of ground-rent, or price paid for land, which is now levied on urban enterprise by the adjacent landowners; a tax, be it remembered, which is no recompense for any industry or expenditure on their part, but is the natural result of the industry and activity of the townspeople themselves."

Though this valuable recommendation has not yet been acted upon in this country, it has been applied, and was in several cases anticipated, in Australia and New Zealand. Even where rating is not on a land-value basis (as in many cases it is), there is in New Zealand and in each Australian State a proviso as to minimum valuation, of which the following provision, from section 134 of the New South Wales Local Government Act, 1906, may be taken as typical:—"The assessed annual value of rateable land shall be nine-tenths of the fair average rental of such land with the improvements (if any) thereon: Provided that such assessed annual value shall not be less than 5 per centum of the unimproved capital value of the land, whether improved or unimproved."

What we need here is a similar provision along these lines, and 5 per cent. would be more appropriate than 4 per cent. now. If the land in and round Manchester

or any of our large towns were rated on this basis, there would be some relief to the other ratepayers, the land blockade would be raised, and the towns would be allowed to expand. This simple reform would be of the greatest service in itself, and it would prepare the way for the further reform that has already been adopted in Sydney and various other towns and districts in both Australia and New Zealand, of rating all properties on the basis of the market value of the land alone, and leaving houses, factories, shops, workshops, machinery, and other improvements rate-free. We cannot say how far this latter reform may be carried till we have the necessary valuations; but we ought to carry it as far as we can. The first step towards better housing is to enable the land for building to be obtained on fair terms, and the second is to remove the penalties from building.

I am, Sir, yours faithfully,

JAMES DUNDAS WHITE.

Reform Club, April 14th.

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To the Editor of THE TIMES.

Sir,—The letter you publish from your Special Correspondent at Manchester under the heading of "Manchester Housing," in your issue of the 14th, gives a false impression of the sale of land recently made to the Manchester Corporation, against which, as one of the trustees responsible for the sale, I strongly protest.

The implication made is that £7,560 would have been a fair price for 106 acres of land in the heart of Manchester—in other words, that it should be sold at practically the same value as good agricultural land. The late owner, Sir William Anson, developed the land for building, and within the last 12 years spent more than double the sum which your Correspondent has suggested as a reasonable price on culverts, roads, etc. On this capital there has been no return, whereas had it been invested it would by now be more than three times the price suggested by your Correspondent and more than half the price which is being paid by the Manchester Corporation.

I think this shows how ridiculous it is to take the rateable value and then say that the land is being sold at 126 years' purchase. That such a statement, which practically amounts to a grossly unjust charge of profiteering, is mischievous is sufficiently shown by the letter from Mr. James Dundas White in THE TIMES of yesterday, the 16th. Mr. White, assuming that your Correspondent's facts are all that is required to deliver a verdict on the transaction, describes it as another case in which "ransom prices" are being demanded for building land, and deduces all sorts of reforms which are necessary in consequence. The measures advocated by Mr. White may or may not be desirable, but the sale at Manchester cannot fairly be taken as a support for his arguments.

I am, Sir, yours, etc.,

VERNON,

Trustee of the Anson Estate,
Manchester.

Sudbury, Derby, April 17th.

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To the Editor of THE TIMES.

Sir,—It is not easy to see why Lord Vernon, in his letter which appears in THE TIMES of Saturday, takes so much exception to the statement that the price which the Manchester Corporation had to pay for the Anson estate property, which they wanted for housing purposes, was equivalent to 126 years' purchase of the annual value for rating. The figures bear it out. Moreover, the case is only one more of the many instances of gross disparity between valuations for rating and valuations for sale.

In view of what he says about the expenditure on certain improvements, it may be observed that the value of

improvements is to be measured not by the amount that was expended on them, but by the extent to which they increase the value of the property. Thus, for instance, the Australian Commonwealth Land Tax Assessment Act, 1910-11, contains in section 3 this definition:—"Value of improvements," in relation to land, means the added value which the improvements give to the land at the date of valuation, irrespective of the cost of the improvements."

Perhaps Lord Vernon, who writes as trustee of the Anson estate, would supplement what he has said about the property in question by telling us what were its gross value, its full site value, and its assessable site value respectively, as ascertained under the Finance (1909-10) Act, 1910, and how it fared as regards increment value duty at its transfer to the corporation.

The adoption of the principle of minimum valuation based on a certain percentage of the selling value would, as already said, do much towards equalising valuations for rating and valuations for sale, on the basis of market value. In the meantime, the Acquisition of Land Bill might be improved by enabling the acquiring authorities either to fix the price at, say, 20 or 25 years' purchase of the rating valuation, or to treat the valuations under the Finance (1909-10) Act, 1910, as *prima facie* evidence of value, subject to certain qualifications, as recommended by the recent Royal Commission on Housing in Scotland (Report Cd. 8731 of 1917, at p. 265).

I am, Sir, yours faithfully,

JAMES DUNDAS WHITE.

Reform Club, April 19th.

THE I.L.P. AND THE LAND QUESTION

At the Annual Conference of the Independent Labour Party, held at Huddersfield, April 21st, 22nd, 1919, the following resolutions, brought forward by the Independent Labour Party Council, were adopted:—

I. "That National Revenue should be derived from the taxation of land and accumulated wealth and on incomes and profits.

"That the whole system of land taxation should be revised so that the whole of the increment of value should accrue to the State."

II. "Seeing that the land alone of the factors of production is both indispensable to man and incapable of expansion by human agency, it is pre-eminently the rightful property of the nation as a whole.

"The present system, which treats land as private property and prevents free access to it, hampers industry, checks production, crowds the towns by depopulating the countryside, obstructs the provision of good housing, lowers the standard of public health, both physical and moral, fetters the exercise of political, economic and social freedom, makes difficult, if not impossible, the maintenance of a uniform standard of cultivation, and compels the workers to pay tribute for the use of that which should belong equally to all.

"This conference, therefore, demands the socialisation of the land as the very foundation of the co-operative commonwealth, and calls upon the Government to make it the permanent and inalienable possession of the community."

"THE COMMONWEAL"

The Commonwealth League (R. L. Outhwaite, Secretary, 43, Chancery Lane, London, W.C.2.), whose manifesto appeared in our April number, are issuing a four-page journal, named "The Commonwealth," published weekly and edited by R. L. Outhwaite. The first number appeared on April 26th, price one penny. We cordially wish our contemporary and new ally long life and a measure of support that will enable it to do full justice to the field it seeks to cultivate.