

# LAND & LIBERTY

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FOOD TAXATION AND LANDLORDS' RENTS  
TOWN PLANNING AND TAXATION  
THE L.C.C. BILL FOR SITE VALUE RATING  
COL JOSIAH C. WEDGWOOD ON UNEMPLOYMENT

## AN OVERWHELMING INDICTMENT

MR MADSEN's book, *Why Rents and Rates are High*,\* is recommended to the study of all willing to view the question of the taxation of land values with an open mind. It constitutes the most overwhelming indictment of our present land system that has yet appeared. After a perusal of its accumulated mass of evidence, its facts and figures, its amazing revelations of what is going on in every part of the country, one cannot conceive that any reader, not blinded to the truth by self-interest, can remain unconvinced that there is something grievously wrong with our present land system.

The most striking instance is the recent sale of half of the City of Cardiff by the Bute family, the estate being said to be worth more than £20,000,000.

The reader will discover how our most urgent national activities are being thwarted at every turn in order that unearned thousands of pounds may be piled into the pockets of the landowner; how much-needed housing schemes are delayed or held over indefinitely owing to the high value of land, a value created by the community which needs the houses; how, if schemes are nevertheless carried out, land value adds permanently one or more shillings to the weekly rent the poor must pay or to the rates the ratepayers must find, or to both; how our National Fitness campaign is obstructed for the same reason, for the greater the need the greater the landowners' claim; how in some places the attempt to secure land for this important service has had in fact to be abandoned; how ruinous has been the cost of preserving a green belt round London, and how the scandal has been increased in one or two instances in which, after paying enormous prices, the public has not even the privilege of entering the land; how hospitals have similarly had to pay the landowner dearly for the privilege of extending. In one case, in Bristol, the price worked out at £115 a bed!

Education is alike held to ransom. The summary of the results of land purchase for this purpose all over the country is illuminating. The provision of wider streets to take our increasing traffic is rendered so difficult

by the same obstruction that the problems of London and other great cities are fast reaching an impasse. Any effective improvement of the centre of London is practically impossible as the cost of land amounts to many times the cost of actual construction. Nor is the countryside any better off. The preservation of our beauty spots can only be secured at ruinous expense, while the Town Planning Act has become, as far as the protection of rural amenities is concerned, so expensive to work that it is practically a dead letter. Again, the cost of our defence for which considerable extents of land are required is enormously increased by the same cause.

One might go on indefinitely quoting examples from this book to show how all our national and local activities are hampered or stultified to-day, just as a century ago the construction of the railways, which have since added so much to our national wealth, was literally held to ransom by the landowner. In the light of hundreds of concrete cases one sees how disastrous to the interests of the community is the system under which the landowner can claim to be paid not only the full increment in the value of his land caused by the increase of population and improvements in the locality, to which he has as a landowner contributed little or nothing, but an added speculative value often exceeding the real value which a system of taxation of land values would speedily reveal. In purchasing land in these conditions the State or Local Authority mortgages in effect the future value of the land. The landowner still continues to receive rent in the form of interest on the money he receives, and the user of the land, whether the tenant in a housing scheme or the public, to pay it in the form of increased rent or increased rates to meet the interest and sinking fund on increased borrowed capital.

One wonders how long it is going to be before the public wakes up to the truth and demands in no uncertain voice that this evil system be amended. Posterity will read with pity and amazement the story of the fatuous conservatism with which we have clung to a system that permits a small minority to hold and exploit to the detriment of the whole community the heritage nature has bestowed upon us all, a system founded in its

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origin upon injustice, and which every increase of our population and every development in our industrial organization renders more inequitable.

The last chapter but one of the book gives a short account of land value taxation in practice both within and outside the Empire, proving that one of the stock arguments against it, *viz.*, that valuation is impracticable, is devoid of any real foundation.

The final chapter giving both sides of the argument from a Conservative Party document with comments added is illuminating. As a matter of fact the taxation and rating of land values has support amongst all parties, and is a measure of common justice that could equally well be put through by any of the three parties.

How wide is the demand for land reform is proved

by the number of local authorities—222 in all—which since 1919 have passed resolutions calling for the rating of land values, and the reader should find a perusal of this long list illuminating.

One may also draw attention to the introduction by Mr R. R. Stokes, M.P., in which the principles underlying the land problem are ably set out. Last, but not least, an excellent index greatly enhances the value of the book by enabling easy reference to examples of various kinds included in the 600 cases quoted.

Mr Madsen's book is an invaluable addition to the literature on the subject of land values and is recommended not only to the student but to everyone who has the happiness of his fellow human beings at heart.

C. V. BRAYNE.

## FOOD TAXATION AND LANDLORDS' RENTS

### Free Traders Who Saw What Protection Does

AT A TIME when new and more insidious corn laws are being imposed not merely by tariffs but by quotas and other restrictions it is worth while to refresh our memories of the arguments which were used to destroy the old corn laws. Among the most brilliant of these was the *Catechism on the Corn Laws* by a member of Cambridge University. The author was Col T. Perronet Thompson, who also wrote a pamphlet on "The True Theory of Rent." The following quotations are taken from the sixteenth (stereotyped) edition, published in 1832.

THE ATTEMPT to prevent one man from buying what another is willing to sell to him, and oblige him to buy from a third person with the avowed object of making him pay that third person a greater price, is so manifestly of the nature of robbery, that nothing can make it tolerable in a country where ideas of justice and civil liberty have made any considerable progress. And consequently this object is not generally avowed; but the plan is put forward under cover of some advantage that is to arise to the community from its permission, or some detriment from the contrary.

*What is meant by Corn Laws ?*

*Answer.* Laws that enact that the labourer shall not exchange his produce for food, except at certain shops, namely the shops of the landowners.

*For whose benefit are these laws ?*

A. Manifestly, of those who support them—the landowners.

*Are not the increased rents of the landowners a national gain ?*

A. In the first place, all that they can gain must be taken from someone else; which can make no national gain. Secondly, the effect is to keep down the wealth and power of the whole community, in the same manner as would take place if the wealth and power of the community were restricted to what could be supported on the corn grown in the Isle of Wight, to please the landlords there.

*Are not the increased rents of the landlords their property ?*

A. No more than the increased prices which a shopkeeper might get, if he could forcibly prevent men from buying at any shop but his own.

So far from allowing rents to be increased by forcible means, a nation where the laws were determined only by justice and the good of the community, would allow no taxation to fall upon industry, as long as it was possible for it to fall upon rent.

*How is the last proved ?*

A. First, because rent is nothing but a charge upon those who have laboured, for the benefit of those who have not. And secondly, because when a tax is allowed to fall on industry instead of falling on rent which is *not* industry, the tax is lost twice—once by the consumers, and once more by the industrious in the diminution of their employment and means of gain.

*Is it not hard that the owner should not sell the produce of his land for the most that is possible ?*

A. Not so hard as that the manufacturer should not sell *his* produce for as much as he can get by a free sale. The case is like that of two men struggling to keep each other out of the market; and what justice and the public good demand is, that both should sell for as much as they can.

But it is not simply a contest whether one man shall sell or another. The demand of the landlord is, that other men shall be prevented from disposing of the produce of their industry, in order that *his* wealth shall be increased *without* industry, and for no reason that can be discovered, except that he is rich already. He has the same opportunities as any other man, of increasing his wealth by industry and by economy, if he chooses to exert them; but what he demands is, that without exerting either, a fund shall be provided for perpetually increasing the value of his property at the expense of the industry of his neighbours. He is by profession, he says, a landowner, and therefore it is his prerogative to be kept rich by the community.

*Do not the landlords pay a number of taxes ?*

A. It is just that they should. They are not labourers; and all that they can possibly have, is paid for out of other people's labour. Rent altogether, is nothing but the excess of the price above what is necessary to pay for the production with a fair profit.

*Is it not wrong to encourage the production of foreigners ?*

A. When a manufacturer produces goods and exchanges them abroad for corn, he may as truly be said to produce the corn, as if it came out of his loom or his flitting-mill. And if he is prohibited from doing this, it is *his* production that in reality is stopped.

*How is such a state of things to be altered ?*

A. By waiting till it is generally known, how much all men except the landowners, are interested in the removal of the injustice; and by taking all means to increase such knowledge.