

SHALL WE TAX LONDON'S COAL?

As in the case of national taxation, so also in the case of the local rates, the increase of these burdens during and since the war is bringing forth a crop of reactionary suggestions for the "relief" of the burden-bearing public. The latest of these comes from a certain Robert G. Webster, who writes to the *TIMES* (22nd February, 1922), from the Carlton Club. He wants to relieve the rates by reviving the old Coal Dues, an *octroi* which was happily (or, as he says, "foolishly") abolished more than 30 years ago. He maintains that they "were easily collected, and hardly felt" (but does not explain in which of two possible senses he uses the word "hardly"). "They brought in a large revenue for public improvements, such as the Thames Embankment, freeing the London bridges from tolls . . . acquiring open spaces, etc."

One hardly knows how to argue with a man who, with coal at present prices, makes a proposal like this. In these columns, and for the benefit of our readers, it is hardly necessary to state the case against the revival of an *octroi* to be levied upon all coal entering the London area. But, for the benefit of this gentleman of the Carlton Club, we may remind him that the question was long ago disposed of by no less an authority than Lord Randolph Churchill, then Chancellor of the Exchequer in Lord Salisbury's Carlton Club Government of 1886. A deputation from the Metropolitan Board of Works (shortly afterwards dissolved with ignominy for corruption by the same Government) wanted Lord Randolph to help them to get the Coal Dues renewed, the Act under which they were levied being about to expire. (This was towards the end of 1886.) Lord Randolph made a long speech, which Mr. Webster would do well to look up and read. He pointed out that the London coal tax was "a tax on a necessary of life . . . involving principles of taxation which we in this country have long sought to get rid of"; "a very high tax . . . no less than 10 per cent. on the value of the article at the pit's mouth . . . a tax of 13 pence a ton." He pointed out that it was a "specific duty: not an *ad valorem*"; and, therefore, it tends to press more heavily upon those who would be anxious to consume cheaper kinds of coal; that it "operates hardly on manufacturers in London," to the increase of "the great mass of unemployment about which we hear so much every day." "It enables expenditure to be incurred of the amount and actual incidence of which the great body of the ratepayers in the Metropolis are not aware": and so on, and so forth.

So much for a Tory Chancellor. Now let us hear a great Liberal Chancellor on the results of spending the money raised by this pernicious impost. Speaking at the Memorial Hall, London, on 29th July, 1887, Mr. W. E. Gladstone said:—

We have just been driving along your magnificent Embankment. But at whose expense was that great, permanent and stable improvement made? Instead of being made, as it should have been, mainly at the expense of the permanent proprietary interests, it was charged, every shilling of it, either upon the wages of the labouring man in fuel necessary for his family, or upon the trade and industry and enterprise which belong of necessity to a vast Metropolis like this. Take, gentlemen, the question of the ground rents of London, those great unearned increments. I rejoice to think that there are among the great proprietors of London now some high-minded and munificent men, who do anything they can for the improvement of their property with a free and open hand. But I believe that I should be correct in saying that only within the last half-century any such thing was known, and down to that period their business was simply to receive and pocket the vast earnings of the labour, industry and enterprise of their fellow-creatures.

Mr. Webster must try again. Lord Randolph Churchill and Mr. Gladstone alike condemned the Coal Dues. Mr. Gladstone clearly saw that the expenditure of the money thus raised on the Thames Embankment benefited the "permanent proprietary interests," i.e., the landlords of London, and that the receivers of land values were the people who should have paid for the improvement. Mr. Webster, with his reference to "freeing the London bridges from tolls," might also recall that Lord Randolph's son, Mr. Winston Churchill, pointed out in a speech at Dundee, some years ago, that the freeing of Waterloo Bridge sent up the rents of the people who were thus "benefited," by an amount equal to what they saved by not having to pay the tolls.

F. V.

"WHEN I AM PRIME MINISTER"

(From notes of an Address by Chas. E. Crompton to the Midland Land Values League, Birmingham, 13th February, 1922.)

When I am Prime Minister I am going to have an easy time. I am not going to live a life of feverish activity like Mr. Lloyd George. It is quite unnecessary. The Parliament to which I shall be responsible, and whose servant and not master I shall be, will pass a Bill declaring land to be common property.

Under this Bill, owners and occupiers of land will be asked to make a payment to the State for the privilege of owning and occupying their land.

All other taxes and rates will be abolished. When the Act is passed I shall instruct the Land Valuation Department to bring up to date and make public the land valuation which they made in 1909-10.

When this is done I shall instruct the rating and taxing authorities to notify all persons occupying or holding land that they will have to make an annual payment to the State based upon the value of the land they occupy or hold and that they will not be expected to pay any other taxes or rates.

The results of this change in taxation would be immediate.

1. Owners who used their land would only have to pay on the value of their land and not on the use they put it to. This would mean a great relief to industry, and, unhampered by excessive taxation, enterprise of all kinds would be enormously encouraged.

2. Owners of unused land would not be able to afford to hold their land out of use. If they were obliged to make an annual payment equivalent to the true value of the land they would be compelled to use the land, and to use land they must employ labour. This would give a big impulse to all the primary industries of mining, quarrying, brick-making, lime and cement making, afforestation, etc. This increased demand for labour would reduce unemployment and increase wages. At the same time the large quantities of raw materials produced would reduce prices, and so by this Act of Parliament we should get rid of the great problems of unemployment and the high cost of living.

For the first time in history, the people of this country would be relieved of the gaunt spectacle of poverty and starvation and of the anxiety of finding employment. This state of affairs would enormously ease my anxieties as Prime Minister. I should not have to be continually interviewing deputations of dissatisfied workers and I should not have to continually declare that I was the protector of the interests of the nation. In fact, I can see that all the elaborate machinery of the Ministry of Labour with its employment exchanges, unemployment insurance and doles would be quite unnecessary and that I could dispense with this very expensive institution.

Again, under the gentle stimulus of this taxation system, it would not pay to keep vacant building land out of use and so builders, with their cheap supply of materials ensured, would be able to get cheap land on which to build good houses for the people to live in at prices that they could afford to pay. This would solve the housing problem and I could dispense with the Housing Department of the Ministry of Health.

With decent houses to live in the people would soon forsake the slums which at present are the principal source of pestilence and disease. With an active well-fed and well-housed population, I could afford to dispense with the Ministry of Health—an institution only made necessary by poverty and slums.

Under this same system of taxation the great agricultural industry of this country would be greatly benefited. It would not be profitable to keep large tracts of country for the purpose of sport and game. Owners of land would have to cultivate it and the demand for agricultural labourers would increase their wages, whilst the increased production of foodstuffs would ensure a plentiful and cheap supply of food to the cities.

Under these circumstances I should feel justified in dispensing with the services of the Board of Agriculture and I am inclined to think when food could be so easily and plentifully supplied to a public sufficiently well off to select and examine what they bought that the whole host of food inspectors and the like could be dispensed with also.

Apart from the food so produced at home there would be a lot required from abroad and this could easily be imported in exchange for the cheap goods we should be manufacturing at home.

Free Trade would not only be desirable, but possible, and the services of the Customs Department could be profitably dispensed with.

So with education. A free and well-to-do people would prefer to support and run their own schools just as well-to-do people do to-day. The children of the wealthy classes do not go to State-aided schools.

With the spectre of unemployment gone, teachers would demand a fair price for their services and would not be dependent on the wretched pittance now wrung from the over-burdened taxpayer. Under these circumstances the Board of Education could be dispensed with and its satellites be occupied in more useful work.

Taking into consideration the entirely changed conditions brought about by this new system of taxation, with people well-fed, well-housed and clothed as a result of certain employment at good wages, it is obvious that the care of the poor, with its heavy burden on the rate-payers, would become unnecessary.

The principal remaining burden on the taxpayer would be the upkeep of our fighting forces.

When the private ownership of land within the Empire has been proved unprofitable the incentive to gain private ownership of land in other countries by force of arms will have lost its power.

Universal peace would be encouraged and such communal services as were really necessary would be provided from the funds collected from the revenue on land.

An Extraordinary General Meeting of shareholders of the Kent Coal Concessions, Ltd., has confirmed a resolution to approve a Parliamentary Bill to promote the working of coal in Kent. The Bill is intended to "deal with those landlords who for various reasons or 'from peculiar ideas' were determined to hold up the development of the coal areas of the county."

"IF IT WERE A DOG, IT WOULD BITE THEM"

We gladly reproduce this article from the pen of one of our active Press writers, John Cameron, Coatbridge. It duly appeared in the COATBRIDGE LEADER.

The Airdrie Town Council, with a view to forming a public quaiting green, inquired about a piece of ground situated in Bell Street. The proprietors offered a site of 35 yards square at a ground rate of £10 per year. As the site consists of about one-seventh of an acre, the rate works out at £70 an acre annually. Capitalized on the basis of 20 years' rent, we find that the selling price of this precious plot is at the rate of £1,400 per acre. This is for the bare ground, mark you, and in an obscure side street. What must be the value of sites near the Cross or in the Main Street of Coatbridge? I venture to state that any vacant land in these centres would let for at least £300 an acre per year. The high land value of these central spots is reflected in the heavy rents charged for shops, offices, etc., in the locality.

For instance, the shop at 3, Graham Street, Airdrie, commands a rent of £50 per annum. Now this same shop if situated, say, in Calderbank, would only command a rent of £25. The builder or proprietor, in receiving £25 a year, would be amply repaid for the outlay of his capital. You can erect a building in Airdrie as cheaply as in Calderbank, but, because this shop is situated amidst a dense population, it can fetch double the rent of similar premises located in the village. It is the site or *solum* that makes the difference; it is the "bottom wall" of the shop that influences the rent. Of this £50 rent it is evident that £25 is a return for capital expended, and £25 is land-value. This would be seen more clearly if the premises happened to be destroyed by fire, and the ground cleared; the site alone would let for £25. This example will give some idea of the value of land in our principal thoroughfares, the ground area of said shop being only an infinitesimal section of an acre.

With the increase of population, the advance of the sciences and the arts, etc., there arises an ever-growing demand for the use of the land, and side by side with this demand there takes place a steady rise in ground rent. From its original prairie value (which is nil) we next see it as pasture or agricultural land at perhaps £2 an acre yearly. More extensive cultivation, such as market gardening, raises it to £8. Again it appears as sites for suburban villas at £40 and so on to town and city lots. We trace still higher increases as we study the prices of land required for railways and docks till we reach perhaps the climax. Lately, the site of No. 36, Cornhill, London, comprising an area of only 580 square feet, was leased at a ground rent of £4,300 per annum. This is at the rate of £323,500 per acre yearly, or, if capitalized at 5 per cent., the enormous sum of six and a half million pounds!

Those who have "cornered" God's gift to all men, viz., the land, take the benefit of all our improvements. We let the mad game go on, and pauperism accompanies progress. "Verily," as Carlyle says, "we are enchanted." In spite of facts like the foregoing, our Governments and Local Authorities stand alarmed and helpless in the presence of rising expenditure, and wonder where the additional revenue is to come from. The true source is so apparent that "if it were a dog it would bite them!"

Answering a question by Mr. Swan in the House of Commons on 15th February, Mr. Bridgeman stated that during the quarter ended 31st March, 1921, the average royalty rent in the County of Durham was 7½d. per ton of coal raised. The total royalty rent during the period amounted to £234,776, none of which was paid to local rates.