

even by a subsidy, in their absence. These royalties are maintained by the subsidy, and the landowner who renders no service for the royalties he takes is putting his hands forward and taking out of the subsidy the royalties guaranteed by the taxpayers.

For every ton of output the local assessor is standing at the pit waiting. When it comes up he puts a rate on it, a penalty for the mine having produced it at all. This system of rating would hinder the best mine from becoming a paying proposition. If a mine closes down either through the men going on strike or because there is a lock-out, the coalowner can go to the local assessment authority, under the present rating system, and ask for a reduction in the amount of the rates, because they are not producing coal, but the moment coal comes up to the surface rates are levied.

You cannot solve this problem of the mines until you challenge the ownership of the raw materials of the earth

which are now in private hands, until you do something to encourage the industry of mining by removing the enormous burden of rates which fall upon mining development in this country, until you relieve the industry of the pressure of taxation and rates which now fall so heavily upon it, and until there is some national control, instead of allowing the control to remain in private hands.

The Chancellor of the Exchequer asks, "Will anyone say that we have not done the right thing? Will anyone say that the Government made a mistake in the policy they pursued in giving these grants of millions last year?" He is asking the question too soon. Let him ask that question when we come to May, and not until then. We are no nearer peace to-night than we were when the lock-out or strike was threatened, but rather worse. We are spending huge sums of public money for no object.

THE ADMISSIONS OF THE LAND ENQUIRY COMMITTEE

Public Right in Land Values

(The following paragraphs appear in the Urban Report of the Lloyd George Land Enquiry Committee. They provide a statement on the principles of Land Value Taxation that clearly apply to all land without distinction and are an answer to the Committee's own attempt to deal with agricultural land by a policy of exclusion.)

If the nation gives right of secure user of its land, it follows that the value of land is a form of wealth to which the nation has a special claim and which therefore is peculiarly appropriate for taxation. (Page 97.)

There is on the one hand the man who earns a profit by using the land—such use being a part of the community's vital activity; and there is on the other hand the man who draws a profit from owning the land, and taxing for his own private pocket the community that uses it. (Page 98.)

The private landowner, as distinct from the private user of land, tends increasingly to become parasitic, and to be a serious handicap on the community's progress. While some individual landowners still feel a moral obligation to discharge, with regard to those using the land under their control, such functions of supervision and guidance as are still open for them to exercise, they are under no legal compulsion to-day to render any services in return for their position, and tend more and more to become inactive rent-chargers, drawing from their holdings the maximum income which the users can afford to pay. In effect, the nation has to pay these private landlords a tax which is limited only by the earning capacity of individuals or corporate bodies. (Page 98.)

For many generations land ownership has been a form of capital investment. It differs, however, from other forms of investment in that it does not constitute a contribution to industry or to the national funds. (Page 99.)

No degree of national prosperity can vary the quantity of land available. No increase in demand can increase the supply of it. Diffusion of ownership may temper the severity of the monopoly. But ownership has not been, if ever it could be, sufficiently diffused. A limited number of owners have time and again held the community to ransom. The community's needs have been satisfied at the cost of slums, overcrowding, congested streets and handicapped industry. (Page 99.)

On account of its peculiar character, the ownership value of land has been viewed in most countries as a

fair subject for special taxation, either national or local or both. (Page 100.)

That pressure of rates on improvements prejudices enterprise and consequently depresses the employment capacity of industry needs no proof. There are well-known examples of industries which have been driven out of certain areas, the operative factor being the pressure of the burden of rates at a time when extensions of premises or a fixed equipment were made necessary by development of practice or simply by pressure of competition. (Page 103.)

English industry is peculiarly liable to injury from the weight of non-productive overhead charges, and the question of rating is, therefore, in this country, more perhaps than in any other, a matter of national interest. (Page 103.)

It cannot be argued by members of any political school of thought that there is a valid justification for putting the whole burden of the local contribution to a new arterial road on the shoulders of the householders and the productive industry of the neighbourhood, and none on the land which reaps a harvest of immensely increased price which the owner need not lift a finger to produce. (Page 104.)

The suggestion to raise revenue by a levy on land values, and to transfer to that basis some part of our existing local taxation, is warranted, firstly, by consideration of the way in which these land values arise, and, secondly, by the fact that, as already noted, the cost of local administration is now increasing very rapidly, and has reached a height which makes it imperative to broaden the basis on which it is raised. (Page 108.)

The policy of a site value rate is not a proposal to increase existing local taxation by the addition of a further charge, but to redistribute the incidence of local taxation by broadening its basis, and securing a more effective contribution from the site value of land. It is clear that the effect, both immediate and ultimate, will be to reduce the burdens on existing developed property. The income from rates on the site value of land now vacant and derelict lying in and about towns, or land used for accommodation purposes or snatch crops, though valuable for building will at once lighten by so much the charges that have to be made on the value of buildings and improvements. (Page 114.)

PREDICTION FOR MAY, 1926

Important decisions are arrived at with respect to land values and untenanted houses, but the failure of the Government to sanction drastic social remedies causes a lively debate in the House.—OLD MOORE'S ALMANACK (WALKER).