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## DR. TEMPLE IMPEACHES LAND SPECULATORS

SPEAKING AT a luncheon given by the Holborn Chamber of Commerce on 10th February, the Archbishop of Canterbury, Dr. Temple, said that—

"A profiteer in land values after the war should be considered a traitor. A good many people are still anxious as to whether we are going to permit speculation in the value of land.

"I think we ought to make it quite clear that, whatever the law may be, public opinion should state that the man who makes money out of the fact that he happens to own land over and above what he was entitled to before the war is guilty of high treason.

"I hope that it may be made effectively illegal, but if it cannot, let us at least regard it as a thing for which any man ought to be turned out of a decent club. But it is not common for a man to be turned out of a decent club for making a little extra money."

This statement, not unnaturally, received a great deal of publicity. No doubt it was read with much sympathy, because the ordinary citizen does feel instinctively that land is different from everything else. That feeling is justified by a number of basic facts.

Land is the foundation of man's existence. All the material things he has or can have are in the end derived from the land. His food, clothing, dwelling, every instrument of production, art or culture is made by human labour applied to land.

The value of land is due to its capacity to serve human needs, and not to anything that those who own it have done more than what the rest of the community have done. Those who appropriate the value of land take what owes its existence to the whole community.

So far, it is to be hoped, there will be general agreement. But why does the Archbishop condemn only the appropriation of such increase of land value as takes place after the date when the war commenced? Would it not be equally just to say that no man is entitled to any increase in land value which occurred after the beginning of the last war? Or the South African war? Or the Crimean war? What was it that happened on the outbreak of war which entitled the owner of land to pocket all the increase of value which had taken place up till that moment, but which made it wrong for him to have any subsequent increase?

There was before the war a large body of opinion, perhaps a majority, in this country which thought it right that land values should be taken by rates

and taxes for public revenue, and that other unjust taxes should be abolished. Was that view mistaken? The Archbishop himself adhered to it in his little book on *Christianity and the Social Order* when he said that "a great deal of what is amiss alike in rural and in urban areas could be remedied by the taxation of the value of sites as distinct from the buildings erected on them. In this field, that inversion of the natural order, which is characteristic of our whole modern life, is especially important. If house property is improved (a social service), the rates are raised and the improvement is penalized; if it is allowed to deteriorate (a social injury) the rateable value is reduced and the offending landlord is relieved. Taxation of the value of sites, as distinct from the buildings erected upon them, would encourage the full utilization of the land. . . . Land values, therefore, should be taxed and rated; houses might well be de-rated."

Now let us ask another question. What is it that the Archbishop has in mind when he talks about "speculation in the value of land"? The tone of his speech seems to imply that the man who sells land for a higher price than it would have sold for before the war is guilty of an act as reprehensible as high treason. He wishes apparently to make it illegal for any man to sell land at a higher price than it would have fetched in 1939. But if such a law were enacted, it would make no difference to the fact that the land had in fact become more valuable. Nor would it prevent the owner from realising that value by letting the land at a rent; or if that were prohibited, from realising the value by using the land himself and getting the land value in the price of the things grown or made on it.

It is indeed only in an indirect fashion that "speculation" increases land values. The primary fact is that the "speculation" is caused by the increase in land values which has already taken place or is anticipated in the future. If the speculation takes the form of holding land out of use in the expectation of selling it again at a higher price, then it is true that the speculation tends to drive the value of land still higher, because the supply of land available for use is reduced below its natural maximum.

The "speculator" is not so much the cause of the evil, as its symptom. If the evil is to be abolished the cause must be removed, and not the symptoms,

In one of the newspapers that reported the Archbishop's speech there was a report of an auction sale of land at Boston, Lincs., which was so crowded that men were carried out fainting. In the course of an hour 662½ acres of agricultural land, with farm-houses and buildings, were sold for £64,225—an average of just under £97 an acre. The *Daily Mirror* observed that "the prosperity of farming in the area was shown in the high price offered for every lot." The essential fact is that the land had become more valuable than it was before the war. It had become more valuable because the community is paying a high price for home-grown food in order to save shipping. If the owner had kept the land (as the majority have done) instead of selling it, would he have been any more or less of a speculator?

What does the Archbishop mean when he asks that land speculation should be made "effectively illegal"? Does he mean that there should be a prohibition upon selling land? or upon selling it at a price higher than the value at some arbitrary time, such as the outbreak of the war? A prohibition upon the sale of land was the device by which Hitler pretended to carry out his promises of land reform. Its effect is to make the existing holders of land and their heirs a hereditary class of land-owners. The tendency of our law has for long been to break down entails and other restrictions upon the sale of land. That does not in itself solve the land question, but it does make it easier to get rid of the dead hand of incompetent management.

The Archbishop's observations are calculated to appeal more to the emotions than to the reason. One of the great obstacles to all reform is the idea that evils are caused by individuals and not by institutions.

The cause of the evil in this case is that the value of land which is created by the whole community is appropriated by whoever happens to own the land. That fact can never be altered by prohibiting the sale of land or by fixing a maximum price for it. The remedy can only be found in taking land values for public revenue, for the equal benefit of all the community.

Certainly it is significant and important that the highest cleric of the Church of England should speak as he does. The Archbishop would render an even greater service to mankind if he would express with precision the causes and the remedies for the evils of which he so strongly complains.