

land purchased. Proposals for re-development have been put forward for years past, and the price of every piece of land likely to be affected has already been enhanced by the expectation that sooner or later something will be done.

The idea that public improvements of this nature can be paid for out of the "betterment" they create is an attractive and plausible one, but repeated experience has shown that the attempt to capture this "betterment" by means of public purchase of land or by means of special assessments is never successful. In the first place, there is the fact that the owners of land have already captured a large part of it in enhanced prices based upon expectation of the future. In the second place there is the fact, as illustrated in the case of by-pass roads mentioned above, that the betterment may be distributed over sites not directly affected.

The only means by which the community can make certain of recovering the land values is a rate on site values. The general valuation of land values necessary for this purpose will facilitate the settlement on a reasonable basis of claims for compensation for property taken, while the reduction of rates on buildings and improvements will encourage the removal of obsolete buildings and the erection of modern ones capable of developing the sites to the fullest extent.

In a communication to *The Star* (16th May) Mr Charles Latham, chairman of the Finance Committee of the London County Council, drew attention to this aspect of the question, saying:—

"The planners of to-day have to take into account the cost of the neglect of the past, and this cost can be, and often is, high. The very congestion of the streets and areas which cry aloud for relief itself increases the amount of this cost.

"The large element of compensation in the cost of London's improvements seriously hampers, and often limits, the activities of the responsible authorities.

"Under the present unsuitable system of rating—a legacy from past conditions which no longer exist, and which is in many essential respects quite inappropriate to present requirements—the financial benefits of great public improvements do not, as they should, inure to the public who have to bear the expenditure.

"Of course, what new or additional rateable value is created is a partial off-set, but this is not enough.

"The betterment which flows from great public improvements financed out of the public purse should go into that purse in a real and substantial degree. If this were the case at the present time, the problem of adequate and long-term replanning of great areas of London would be very much simpler."

Mr Latham is quite right in saying that the new rateable value created is only a partial off-set because the rates on the new buildings are an imposition upon the occupiers of them, while the real beneficiaries, the owners of land, escape contribution. The only means by which the betterment can be collected is by a rate on site values, because, to quote the L.C.C. report on the rating of site values, "as the yield of the rate would be increased in proportion to the increased site value of the properties benefited, it would to some extent constitute a set-off against the cost of compensations and improvements."

The value of this paper does not end with YOUR reading it. Your business associate, your neighbour or your fellow worker may not have seen it. . . .

THE LIBERAL PARTY CONFERENCE

Declarations on Land Value Policy

AT THE annual meeting of the Liberal Party Organization at Bath, "the chief features of the debate," reported the *Manchester Guardian* of 20th May, were "the ruthless rejection of amendments designed to modify the pungency of the official motion of approval, and the strong insistence of a team of Scottish speakers upon a definite declaration in favour of the principle of taxing and rating land values, which clearly had the general support of the conference."

The "Ownership for All" resolution, moved by Mr Elliot Dodds, had in it the expression: "it demands justice in taxation and rating." Amendments moved by the Scottish Liberal Federation and the Hendon Divisional Liberal Association were put in the form of a composite amendment which was carried, Capt A. R. McDougal of Blyth taking a leading part in the speaking.

As a result, the Assembly "demanded the abolition of unjust and obstructive taxation and rating and declares that public revenues should be derived as far as possible from the publicly created value of land apart from buildings and improvements."

During the discussion Mr A. S. Comyns Carr, K.C., denounced the present rating system as unjust and economically absurd. If a man had vacant land on the outskirts of a city he paid no rates at all on it at present, although it might have great value. That fact did not merely deprive the community of contributions to the local rates, from the expenditure of which the value of the land was often largely derived, but encouraged the owner to keep the land out of use until he could get the greatest possible unearned increment. It resulted in a direct hindrance to enterprise and to the development of building.

On the previous day, also at Bath, the Women's Liberal Federation were in session. The main topic was the cost of living and high rents. The resolution was adopted advocating the removal of such taxes and tariffs as raised the cost of living, and the transference of rates from buildings and improvements to site values.

Mrs Burton, of Leeds, a delightful old lady who had never before spoken in public and who said she just felt the conference must hear her knees knocking with fright, spoke about the people who had been moved from three shillings a week slum houses to a nice new housing estate. They were helped with the rent, but they looked unhappy; they could not afford enough food or firing. "There would never have been such poverty as exists to-day," she said, "if land had been taxed long ago."

SCOTTISH LAND AND AGRICULTURE

THE FIRST twenty pages of the new Report, published by the Scottish Liberal Federation,* a book of 115 pages, contains an excellent exposition of the Taxation and Rating of Land Values. The writers are to be congratulated. The Report is direct and to the point, advocating the application of the principle to all land without distinction as to "urban" and "rural." If there is any emphasis it is upon the benefit that agriculture would derive by taxing and rating the value of land apart from buildings and improvements—a policy declared to be the most efficient lever for the purpose of breaking the land monopoly and obtaining access to ample supplies of land. Correspondingly would come

* *Scottish Land and Agriculture—The Liberal Policy*. Published price 6d., by the Scottish Liberal Federation, 179 Buchanan Street, Glasgow and 14 Frederick Street, Edinburgh.