

THE RATES AND LAND VALUES

Letter signed by Mr George Lansbury, M.P., Sir Stafford Cripps, M.P., Mr R. R. Stokes, Mr Andrew MacLaren, M.P., and Mr Leonard Woolf.

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We do not see why the Municipal Reformers here should do all the talking about rates. May we put our views before your readers?

First, we consider that the present rates should be abolished. They penalize the householdér, cripple enterprise, and encourage the speculator. What is more, they are unnecessary. The expenditure of public moneys on social services actually creates a fund ample to meet the cost of these services. This fund always appears in the market value of the land. It is created by the community and should be enjoyed by the community. Existing machinery could be used for its collection by imposing a rate on the market value of land, not including the value of buildings, works, tillage, and other improvements. This should be progressively increased until it replaced existing rates.

See the difference. The present rates fall entirely on the use to which the property is put. If the site is in use and fully developed the rates are at a maximum, however bad business may be. If the buildings are empty or the site idle the rates will be nil, however great a value social activity has given to the site. Thus before the London County Council acquired certain land in Lambeth for housing the land and such buildings as were on it were together valued for the rates at £199. Such was the true value of the site that the council paid £30,700 for it. Again, since the war the L.C.C. has purchased land for educational purposes at a price of £67,635, the total value of which for rating purposes was nil.

Every year the local authorities pay large prices to speculators for land needed by the public on which little or nothing has been paid in rates. Let such sites be rated at their market values instead of the fictitious value based on usage and a huge fund will become available to relieve the present ratepayers. Then all rates could be removed from houses, offices, shops, factories, etc., and the community need only take from each individual what the community creates, the value of the land which he is holding.

Since the rates would be levied on the value of sites whether in use or not, it would be unprofitable to keep land idle and buildings empty. Inflated rents would drop, owing to competition for tenants, and the enormous price of "agricultural" land in the heart of our boroughs would fall until there was a user.