

## DAIRY FARMER OR LAND SPECULATOR?

### Reply to a Familiar Objection

*A correspondent in Wales, who was about to introduce a Bill for Land Value Taxation in a Parliamentary Debating Society, applied to the United Committee for sundry information and requested a reply to the following objection:—*

“A very important point was put to me by a prominent Agriculturist which takes some answering, and this man, a good Liberal, is against the Land Value Tax for want of a satisfactory answer:—

“What is the position of a dairy farmer on the outskirts of a large town where the value of land is greatly enhanced owing to its proximity to a large town?”

“The point is, this farmer already finds it difficult to make ends meet, and the considerable tax he may have to meet either as owner or tenant will drive him out of business.

“I am sorry to trouble you but these points are important and much that goes on in our ‘parliament’ filters through Wales, and an unsatisfactory answer may make an opponent of a possible supporter.”

To this letter the following reply was sent:—

“We would find it easier to answer the question that has been put by your Liberal friend if some specific case was named. It surely does make a considerable difference to the dairy farmer concerned whether he is the owner of the valuable land that is now being used for dairy farming, or is merely a tenant at will. You speak about ‘the considerable tax he may have to meet either as owner or tenant.’ If he is the owner of the land he will, of course, have to meet the land value tax. If he is the tenant of the land then some other party is the owner and that other party will have to meet the tax. Your Liberal friend, who is against the taxation of land values, should say whether this dairy farmer is the owner or the tenant, and make up his mind what his views are on the taxation of land values—if he thinks the tax will be paid by the owner or the tenant.

“Here is a piece of land which according to the argument has ‘a greatly enhanced value owing to its proximity to a large town’—and it is used for dairy farming. The question is, to whom does the land value of the land belong? The land value is manifestly and by the very statement of the supposition a public value. It is right and just that the land value should be the source of public revenues. Unless that is admitted there is little use in proceeding with the argument, for it is fundamental. The next step is to consider what would be the effect of taxing land values and remitting taxation on improvements, in any given case or class of cases. We can, if you like, discuss what would happen to a dairy farm business carried on upon a piece of ground that has a high building value or to a cabbage patch on a vacant site in Queen Street, Cardiff—or to any other occupation that is not putting the land to its best economic use.

“The taxation of land values would cause owners of land to put the land to its best use and the whole community would be benefited. As a town grows it is natural that occupations like dairy farming seek cheaper land farther away from the town. And that is what happens to-day. The taxation of land values would make plenty of land available for such occupations, just as it would make land available for industries, manufactures, trading and housing in the towns.

“Take the dairy farmer that has been mentioned. If he is a tenant, has he any security of tenure? The

land he is renting has, as stated, a ‘greatly enhanced value.’ Such a tenant may be shifted by his landlord at any moment and he (the tenant) has to leave behind him the ‘greatly enhanced value.’ It may be questioned if within ten miles of the circumference of any of our big cities or even smaller towns there is a single case of a tenant farmer who rents the land for longer periods than a year at a time. It is often the case that occupancy is subject to six months’, three months’, and even one month’s notice to quit. And this, just because the land has a higher value for other purposes than farming. The land is really being held by the owner in speculation and is let temporarily for agricultural purposes; it may be developed at any moment for building purposes and no owner is going to have himself restricted by a tenant who has a lease. Dairy farming, and any kind of farming, in the vicinity of our towns where the farmer is a mere tenant at will, is one of the most precarious of occupations under present circumstances.

“If, on the other hand, the dairy farmers own the land of ‘greatly enhanced value,’ he is dairy farmer plus land monopolist. He is in possession of valuable land, the value of which rightly belongs to the community and not to him—the community have made this land valuable and not the owner of the site. The more general and the more vital point to make is the large number of potential dairy farmers who have no chance of a livelihood at their business because they are faced by the greed and caprice of land monopoly. It is the purpose of Liberalism as we understand it not to defend the monopolist, in whatever garb he may appear, but to do justice to the victims of the system. The taxation of land values together with the untaxing of improvements would bring the land more cheaply into the market and stimulate all dairy farmers, as such, to put their best foot forward.

“As the Liberal leader, Lord Oxford and Asquith, has put it, these are two reforms that would promote industry and progress; and they were ratified by the recent Liberal Convention.

“It is clear therefore that if this monopoly-favoured land-owning dairy farmer your Liberal friend has in mind is really keen on dairy farming, Land Value Taxation would provide him and all concerned in the industry with unlimited opportunities for his and their occupation. It is absurd to say that this man would be ‘driven out of business’ if Land Value Taxation were adopted. He would be the more firmly established as a dairy farmer; but he would be driven out of business as a land speculator. Is this latter aspect of the case the real grievance under review?”

“Liberals and all land reformers can rejoice and take courage from the example of Denmark. Here is a country of small-holders, *par excellence*, and the Danish Government, with their enthusiastic support, are now debating a measure of Land Value Taxation for the benefit of dairy farming in particular and the agricultural industry in general. It is quite remarkable how the Press of this country, especially the Liberal Press, have ‘shut down’ on this form of Danish enterprise. But it moves; and land reformers may yet get to know what readers of our monthly journal LAND & LIBERTY know already in regard to this outstanding vindication of the progress of our ideas.

“In fine, the ‘dairy farmer’ case is simply a variant of the many examples that are cited to excuse mere land speculation. It differs in no respect from the case of a man who is holding vacant land against the advancing needs of the community. It is based on the blank denial of the claim that the value of the land belongs to the community. It brushes aside the proposal that buildings and other improvements should be exempt from taxation.

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