



Published by THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES, LTD.

Thirty-ninth Year. Established June, 1894.

1d. Monthly. By Post 2s. per annum.

United States and Canada, 50 cents.

Editorial Offices

94 PETTY FRANCE, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Sowest, London." Telephone: Victoria 4508-9.

Postage on this issue is One Penny.

"THE ROBBER THAT TAKES ALL THAT IS LEFT."

The artificial stimulus now being given to farmers of selected crops by means of tariffs, subsidies and quotas is raising the rent of land where such crops are grown. The public, compelled to pay more for what it consumes, is simply making a present to the landowner. The farmer, as cultivator of the land, is cheated of the spoil thus wrung from the people. After a short while, during which he enjoys some of the unearned benefit of tariffs and subsidies, he is driven back to the position he held before these aids were adopted. Prices of land are raised against him and against the would-be cultivator, who is looking for the opportunity to gain a living on the land.

If we want testimony supporting that view of the case, practical testimony, we can find it plentifully in the reports and puffs issued at this time of the year by the estate agents, who tell the public about their annual "transactions in land." Anyone may read between the lines to see the real causes of business depression, the part that land monopoly plays, but the economists at Geneva and elsewhere, and the pundits who are preparing the repeatedly postponed World Economic Conference, preserve a discreet silence about a subject of that kind.

We take this from *The Times*, 5th January, estate market column: "The quest for some secure and reasonably remunerative investment, coupled with a hopeful view of the eventual result of all that is being done to help farming, has encouraged competition lately for agricultural land, which stands at an average low level of price that in itself ought to attract buyers."

Messrs. Knight, Frank & Rutley, in their annual report (*The Times*, as above), warmly commend the "marvellously prompt and effective action" of the Ministry of Agriculture and of the Government in taking steps to help the British farmer. They say:—

"The restrictions placed upon meat imports resulted almost immediately in a substantial rise in the price of both fat and store stock. The Horticultural Products (Emergency Customs Duties) Act has had a similar effect upon the prices of fruit and market-garden produce. *These factors, combined with the substantial benefit derived from the wheat quota scheme*

and the derating of agricultural land and buildings, have induced a more cheerful feeling in agricultural circles, and this cannot fail to have its due effect, in time, upon the values of land.

The words deserve our emphasis. The question is, how will the inflated land values benefit the farmer, as farmers?

Mr. C. Gerald Eve, of the Chartered Surveyors' Institution, in his presidential address reported in *The Times*, 15th November said:—

He did not despair of a fairly early return to some degree of agricultural prosperity. This country was a small one by acreage, but it possessed a great population. Looking back over the centuries, there had been ups and downs in agriculture, but never yet had an "up" failed to follow a "down." Rich men would be well advised to invest now and largely in the agricultural land of this country.

Mr. Eve then struck a significant political note. His partizanship will not be overlooked. There is no mistaking his opposition to the taxation of land values:—

The recent land tax might be said to be buried but not dead. He hoped for many reasons never to see the day of its exhumation. Any levy of annual land tax in aid of the State would duplicate the local charges and eat into their amount, reducing the financial resources available for planning schemes.

We are not interested in any of Mr. Eve's reasons, whether sensible or foolish. He has shown his hand. As President of the Surveyors' Institution he is one of the administrators of the Parliamentary Statute of 1931 enacting the Land Value Tax. He speaks of the statute with contumely, yet upon him (along with three others who constitute the Reference Committee) devolves the duty of appointing the panel of referees charged with reviewing appeals against assessments made. These referees have to be "persons who have been admitted Fellows of the Surveyors' Institution or other persons having experience in the valuation of land"—Section 34 of the Finance Act (1909-1910) 1910. The Reference Committee is also required to make rules for giving effect to the provisions of the Section relating to appeals. These are most vital functions in the performance of which with absolute impartiality everything depends. But from his high place as President of the Surveyors' Institution, Mr. Eve tells his colleagues from whom he has to choose the referees themselves, that this is an Act he hopes will never again see the light of day.

To return to the estate agents and their promise of the land boom to attract buyers, Messrs. John D. Wood of Berkeley Square, London (*The Times*, 17th December), say:—

"The market for country properties has been helped by the growing appreciation of the value of land as an investment. . . . A landed estate, a farm, a house or business premises, and, of course, ground-rents or leasehold rents, secured upon sites, have permanence, and are immune from the risk of being virtually dissolved into nothingness by 're-organizations' and competition and new processes. . . . Real estate, has once again demonstrated its hold on the attention of discerning persons with free capital, and a very slight improvement in the general economic condition of the country may be expected to produce a strong upward movement in the price of real estate, with results very agreeable to those who have acquired it at its present range of market values."

Very agreeable indeed to those who have acquired the

right to rob the public of the communally created value of land. The lesson of these examples taken red-handed, so to speak, from the accredited agencies of the landed interests is that as rent rises wages must fall; and the speculation in land values induced by rising rent blocks the way to employment and progress.

This is the problem that should be taken to Geneva. In fact it is there though the delegates will not or dare not recognize it.

Messrs Chamberlain and Willows of Palmers Green, London, say:—

"Few people are aware of the interesting story that attaches to large tracts of building land situated in and around the districts of Palmers Green, Enfield, Winchmore Hill, Walthamstow and Edmonton. The post-War activity in road development saw a number of important arterial roads driven through the areas mentioned and as a result land values increased enormously. All the plots were purchased and held. They represented extremely good propositions for early development, and when placed in the market were eagerly sought. They have recently been sold at figures approximating ten times the original cost."

The areas were purchased *and held*. They were sold again at enormously increased value. Here is land speculation in its true colours dabbed as it may be and often is with the paint brush of "investment" and "development." So it is that industry has to forego the benefits of material progress, and while the forestallers hold out for their price the attention of the unemployed is directed to the goings-on at the League of Nations or to the "economic blizzard" blowing from some far off clime and how we must be patient till it abates.

The quoted item is from an advertisement in the *Wood Green Sentinel* of 14th November. Messrs Chamberlain and Willows, at any rate, know in their conscience the reply to our Protectionist Chancellor's query—if not from tariffs where would you get the public revenue.

In Messrs John Wood's annual report referred to above, a lame attempt is made to defend private property in the rent of land. It rather knocks the landowner out, so keen is the estate agent to magnify his own importance. The argument is that the yield (in rent) from the purchase of land is higher than the yield from a similar outlay on gilt-edged stock. "This difference is 'earned' inasmuch as real estate calls for management, either personally or preferably through expert agents . . . buyers or tenants must be sought out and then are legal and other costs and formalities to be taken into account . . . expert management can relieve an owner of much of the worrying details of ownership."

The only "worrying detail" left to the land owner is to pay the rent into his bank account. But has he *earned it*? Certainly not. Messrs Wood have a polite way of telling the mere rent receiver he is an idle good-for-nothing fellow and if justice were done, the rent would be appropriated as "earned" by the estate manager! But we have never yet seen a defence of private property in land that did not hit the ground landlord across the face as it were with proof that he did nothing to give the land its value.

Mr Alfred J. Burrows, Past-President of the Auctioneers and Estate Agents' Institute, advises that "a buyer of the right type of land at current prices cannot go wrong." *The Times* (as above) appropriately comments: "A long view is requisite in real estate affairs, and if the opinion of some experts can be supported by the testimony of others, who speak with authority and responsibility, so much the better." So much the better, indeed, for the land gambler who can get in on the

ground floor and rake off the certain increase in land values. The long view in real estate affairs is to stand out for the best price likely to be obtained so far as future advantages can be foreseen. But it is the very basis and source of life that is at stake, and in this land-withholding the ultimate fate of agriculture and all industry is surely sealed. This is our reading, not of any "anti-landlord" campaign literature, but actually the candid opinions of the experts of the real estate market.

The annual dinner of the Manchester and District Auctioneers' and Estate Agents' Institute took place on 11th November. Alderman George Westcott attended on behalf of the Lord Mayor and said:—

"Such a body as the Institute could do a great deal in assisting the Corporation in their work. Members of their profession had advised their clients to buy land in where the Corporation were thinking of making a development. On the other hand, they had also given advice that had been of great service to the municipality. He appealed to them to use their influence to get a fair price, but not to take advantage of Corporation developments."

Is it then an injury to the Corporation, for private persons to "buy in," land when there is knowledge of some municipal development? It would seem so. The hint is that land speculation cannot both benefit the community and the "clients" engaged in the traffic. Perhaps there was enough good humour round the table to let the remark pass. After all "on the other hand" the auctioneers and estate agents do on occasion give serviceable advice, and that will be when the municipality itself is trying to buy land at the "fair price" determined by the monopoly conditions all around. The advice most serviceable would be to get busy with the rating of land values so to bring all land into use for any good purpose, private or public, without penalty to the municipality or gifts to the individual of a value he never created.

Mr W. Rees Jeffreys, Chairman of the Roads Improvement Association (letter to the *Daily Telegraph*, 17th December), argues that the traffic problem is growing in intensity, in costliness and in difficulty year by year. He was afraid that the purchase by a firm of builders of two miles of frontage on the Kingston by-pass road near London was going to lead to ribbon development, which not only disfigured but choked arterial traffic, and some kind of control was wanted or we should soon require new roads to by-pass existing by-passes.

We thought that the Town Planners thought they had by this time got the speculative land buyer so fixed that this "disfiguring of the countryside" had been stamped out. But something essential is lacking in all the Acts that have been passed, statute succeeding statute, with a perfect nexus of provisions. Mr Rees Jeffreys reminds them of the defect. He writes:—

"The Surrey County Council, under an Act passed in 1931, has powers much in advance of other County Councils to control development, *but the cost of sterilizing the land puts that course out of the question. The same consideration limits the use of powers under the Town Planning Acts.*"

The italics are ours. After 24 years of painstaking legislation, amended time and again, we are brought sharply back to the dictum of Mr Asquith who, referring to the first Town Planning Bill, said at Birmingham, 19th January, 1908: "I agree with those who think that its necessary complement is a complete reconstruction of our valuation and rating system." In other words, without Land Value Taxation, Town Planning cannot work and all experience has proved how land

monopoly has stood in the way of the laudable aspirations of the town planners. And the pity of it is that among this fraternity one finds their opposition largely responsible for the fact that "the reconstruction of our valuation and rating system" has not come about.

Mr Rees Jeffreys himself offers no plan for overcoming the obstacle of the prohibitive cost of land, except to arm the London Traffic Advisory Committee and the London Regional Town Planning Committee with "financial resources" to deal with the problem. This is just to say that more public money should be put at disposal and more taxation levied on industry to make land dearer still. Mr Jeffreys says he would like to see a rate on land values levied over the area of Greater London to provide the funds for his proposed purchases—a most immoral proposition, the taking of money from some land-owners simply to give it to others. When Mr Jeffreys can advocate the rating of land values as a means to obtain public revenue from its just source, to break the back of the monopoly, to cheapen land and to remove rates from houses and other buildings and improvements, there are those who will listen and ask for his assistance in promoting the best interests of the community.

The Government by its Housing Act passed last December has abandoned the housing subsidies. Incidentally this Parliament has maintained the record of the last 20 years or more of one or two Housing Bills, practically every session, with the solution of the problem still far to seek.

In place of the subsidy the new Act allows local authorities to guarantee two-thirds of the difference between the 70 per cent. which would normally be advanced by a building society and the maximum advance of 90 per cent. The Act gives the Government power to reimburse the local authority to the extent of not more than one-half of any loss which they may incur in respect of the guarantee.

A building expert, discussing the subject with the *Manchester Guardian* London correspondent (15th December), asked himself the question, "Could private enterprise even under the guarantee build houses and let them at rents which the poorest class of tenants could pay?" He was afraid not. The rent-paying capacity of the people whom it was important to house had gone down but not the level of rents. And he capped his argument with the statement: "This was of course the whole case for the necessity of housing subsidies to the municipalities."

Our building expert has admitted everything. The housing problem is a poverty problem. The Acts have been based on the fact of low wages. They are poverty legislation and until this housing question is related to the land question, and wages are raised by the opening up of natural resources now held to ransom, the housing question, which is only a phase of the shortage of all goods and commodities that the producers of wealth should justly possess, will ever be with us.

A. W. M.

At a private meeting of the North Yorkshire with South Durham Farmers' Executive, at Northallerton, on Saturday, 12th November (*Manchester Guardian* report), it was decided to ask the National Executive in London to take up the question of rents on a national basis with a view to concerted action. Mr W. G. Eaton of Northallerton, said it was time increases, amounting in some cases to 40 per cent, were removed. Mr T. F. Cumber pointed out that some landlords were prepared to accept a lower rental from a new tenant rather than remove the wartime increase from an old tenant's rent.

WHAT THE TRAFFIC WILL BEAR

The following news item is taken from the *Dundee Advertiser*, 28th December, 1932:—

"Shopkeepers in Kirriemuir, whose vans use the roads within Cortachy Castle policies, have been asked to contribute towards the cost of maintaining the roads within the policies.

The notice, which is signed by Major Garthwaite, reads as follows:—

"I am directed by Lord Airlie to draw your attention to the fact that during the last year or two the traffic through Cortachy Castle policies has increased to such an extent that heavy expenditure is incurred annually in repairing the damage to the roads used by tradesmen's vans, etc., visiting the different houses situated within Cortachy Castle policies.

"I am directed, therefore, to notify those who are making use of these private roads regularly each week that they should contribute the sum of £1 per year towards repairing the damages done by such traffic. I shall be glad, therefore, to hear whether you are agreeable to pay this sum, say, on 1st January each year."—For Airlie Estates Company, Alan Garthwaite."

Various comments have been made on this call to attention. One man takes it to be beyond a joke; another thinks it a hardship to be asked to pay for rendering service; that if the vans stopped going the people living within the policies would be compelled to go into the town for new purchases. But assuming private property in land, what right have they to complain if the owner of this plot, looking out from his window, sees the need for another small contribution from those who use his road, to keep it in repair? And why get excited over a paltry £10 payment for the upkeep of a side road when tens and hundreds of millions of pounds are taken in toll by landlords, annually, for main roads, housing sites, playgrounds, beauty spots, coal mines, quarries, hospitals, lunatic asylums and such like nation-wide development. Lord Airlie is merely drawing attention to the economic truism that the rent of land is all that the traffic will bear. In the light of this experience the *Dundee Advertiser* appears to have discovered a mare's nest in this backyard of the Airlie estates.

MUNICIPAL TARIFF EXACTIONS

The Protectionists have not got down to the logic of their contentions but they are on the way. After "Britain First," "Canada First," and the other slogans of the Ottawa Conference, we should have "Birmingham First," "London First" and "Yorkshire Work for Yorkshire Men." It is a sensible enough demand, if the rest is.

On the 6th December the London County Council adopted a report of the General Purposes Committee that there should be no change in the Council's policy of giving Imperial Preference wherever possible. Mr Cyril Jacobs, in reply to a question, revealed the fact that the cost to London of this Imperial Preference had been £150,000 in the last three years. In effect, the rule of the Council to buy British or Empire Goods at a higher price than foreign goods is super-imposing a local tariff over the national tariffs that have been put into force. The ratepayers have to stand the racket.

Justifying the policy of the London County Council, Mr. Jacobs said that the main object was to do something to relieve unemployment. But how is London