

THE WORK OF THE LAND UNION

By FREDK. SKIRROW

I have before me a booklet entitled *THE WORK OF THE LAND UNION*. With great candour and clearness the booklet reveals the aims, object, activities and influence of the Land Union, which claims to be a "national organization for the protection of all interests in land, buildings, and house property."

On page 6 appears the following statement: "In the 1919 'Acquisition of Land Act' it (the Land Union) defeated an outrageous proposal to allow municipalities to acquire land compulsorily at thirty times its annual rateable value, in many cases at a small fraction of its true market value."

If the Land Union writer thinks it "outrageous" to compel landlords to sell at thirty times the value on which it is rated, what kind of adjectives would he use to characterize the proposal to rate and tax land values?

On page 13 the writer modestly informs us that "The policy of the Land Union is not to secure undue privileges for, but to protect, investors in this form of property so that confidence may be maintained, this being essential to all improvement and development."

From the above quotation it is evident that the writer is of opinion that the interests of the landlord who does not improve and develop are the same as the owner or tenant who does improve and develop. But is that so?

A year or two before the outbreak of the war I bought a site on which to build a house, and paid 2s. 6d. a yard, which equals £600 per acre. At the time I bought the land it was derelict, and therefore not assessed or rated. The fact that the speculative owner had no rates to pay in respect of that land was certainly in his favour so long as he did not wish to improve or develop the land. It enabled him to hold out for his price. But I bought the land for use, or, as the Land Union writer would say, for "improvement and development."

Now the question arises: Is the rating system which allows unused land to escape from the burden of rates equally good for the improver of the land? My experience proved the contrary. For having turned about 1,700 yards of rough hillside into a garden with a modest little cottage upon it, I am called upon to pay £22 in rates for the current year. Had I bought the land for speculation instead of improvement and development I might have saved payment of rates. Thus the landlord, as landlord, paid nothing in rates because he neither improved nor developed. I, as landlord who improve and develop, am mulcted to the tune of £22.

Failure to rate and tax land values gives the landlord the "privilege" of appropriating land values he has not created, and which must of necessity come out of the earnings of those who are engaged in the improvement and development of land. The man who, to secure the right to a piece of land, pays a price thirty times greater than its annual rateable value is assessed upon the value represented by the price paid, with the value of all improvements added.

How, therefore, can the Land Union claim that it is not out for "undue privilege" for the landlords as such? How can they reasonably claim to represent the interests of the improver and developer while they insist on his being rated and taxed on the full value of his land, plus the value of all improvements that he puts into it? How can it possibly be to the interest of land users to be taxed on the value of their land and all their improvements while those who withhold land from use go scot free?

[The above has appeared in the correspondence columns of the *YORKSHIRE POST*, the *YORKSHIRE OBSERVER*, *SHEFFIELD INDEPENDENT*, and other Yorkshire papers.]

THE BIRMINGHAM CITY COUNCIL

On December 2nd last, it was remitted to the Finance Committee of the Birmingham City Council to inquire into and report upon the Sydney System of Rating. The report, which was signed by the City Treasurer, explains that the Sydney rating system is the rating of land values and the exemption of improvements from local rating. It is hostile to the proposal that the Birmingham City Council should request the Government to give Municipalities power to adopt the rating of land values. Immediately the report appeared, an answer was issued by the Birmingham "Sydney Rating" Association to all the members of the Council. This answer has since been published in pamphlet form and is obtainable (price 1s.) from the United Committee, 11, Tothill Street, London, S.W.1.

The report came up for discussion before the monthly meeting of the City Council on July 7th. A prolonged debate ensued. Councillor Tiptaft criticised the report with much vigour and declared it was biased, incomplete and inadequate. On the motion of Alderman Clayton the further consideration of the matter was adjourned.

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- Appendix I.—Table showing Land and Improvement Values, Area, Population and Rate Revenue in New York, Detroit, Boston, Cleveland, Pittsburg, Toronto, Winnipeg, Houston, Johannesburg, Wellington, N.Z., Christchurch, N.Z., Brisbane and Sydney.
- Appendix II.—Reprint of Report of City Treasurer of Birmingham on Land Value Rating in Sydney, N.S.W.

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