

## LAND & LIBERTY

(Incorporating "LAND VALUES.")

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

Twenty-eighth Year. Established June, 1894.

3d. Monthly. By Post 4s. per annum.

United States and Canada, 1 Dollar.

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## LAND VALUES AND LOCAL TAXATION

*A Manifesto addressed to the Citizens of London in connection with the London County Council Election, 2nd March, 1922.*

### VACANT LAND

We are terribly short of good healthy homes in London. Yet, in every part of London, you will find vacant plots of land upon which the houses needed might be built. In some cases, no houses have ever stood upon them; in other cases, buildings have been pulled down and never rebuilt. *The owners of these vacant plots pay no rates.*

This is not because the plots have no value. They have a high value. The owner will ask a high price for them. If you ask him why he demands so much for a piece of bare land, he will tell you of the advantages which you will be able to enjoy if you build a house or shop in that particular place. He will not be able to tell you of anything that he himself has done to make the place a healthy spot to live on, or a convenient place to do your business in. But he will tell you a great deal about what the people of London, through their local governments, have done, at the cost of the rates, to make this great city a healthy place of residence and a convenient place of business.

The London County Council has spent, and is spending, many millions on a great system of main drainage, without which more than four millions of people could not live in a river valley which was once mostly a swamp. The Council maintains a large number of spacious and beautiful parks for healthful recreation. It increases our facilities for getting about on business or pleasure by maintaining a great network of electric tramways, by making new roads and improving old ones, by building and maintaining bridges, tunnels and ferries across the river. It provides and maintains numberless schools, elementary and secondary, for the education of the children; special schools for the mentally or physically deficient; continuation and technical schools for the youth of both sexes; and it largely supports the University of London and its Colleges. The Police—supported out of the rates and taxes, though not under municipal control, except in "the City"—and an efficient Fire Brigade, contribute greatly to the safety of life and property; and so on, and so on.

The Council sends representatives to the Metropolitan Water Board, which ensures to us an abundant supply of pure water; and to the Metropolitan Asylums Board, which takes charge of persons suffering from infectious diseases, who would otherwise be a danger to the community; while the L.C.C. itself maintains great Asylums for the insane. Within the County the Metropolitan Borough Councils light and clean our streets, provide free libraries, baths, and wash-houses, remove garbage, maintain local sewers, and so on. The Boards of Guardians maintain the sick, aged, and infirm poor.

What would be the value of those vacant plots of land if all these municipal services ceased? London would soon become an uninhabitable place, in which health, property, and life itself would be unsafe, and business impossible. All these services increase and maintain the price or rent

which the landholder can exact for giving us permission to live where we may profit by them. There can be no better or juster measure of what we ought to pay towards the cost of these municipal services than the value of the land which we occupy. *The owner of the vacant plot thus made valuable should pay rates on the value thus given to his land.*

### EMPTY HOUSES

In the midst of a House Famine there are thousands of empty houses in London. The owners will not let them; they are usually holding out till they can sell them at famine prices. The municipal services exist all around; the right to enjoy them is included in the monopoly price which the owners ask from the would-be occupiers of the houses; all these services have to be paid for out of the rates, whether the house is empty or occupied. But *the owner of the empty house pays no rates. The site of every empty house—the land on which it stands—should be rated on its market value. The houses would not remain empty for long.*

### AGRICULTURAL LAND

In several of the suburban Boroughs in the County of London there is still a large amount of uncovered land, most of which is rated as of "agricultural value," and *pays rates on only one-half even of that.* Shortly before the War, there were 8,102 acres of such land, which contributed only £2,594 to London's rates, an average of less than 6s. 5d per acre. (The other 66,714 acres, including all the streets, parks, open spaces, vacant plots, sites of unrated churches, chapels, empty houses, etc., paid £15,866,587 in rates; an average of £237 16s. 7d. per acre.)

If a public authority or a private builder requires any of this land for a school or fire-station or a housing scheme, it is "valuable building land," and all the municipal services which lie around its borders are quoted as evidences of its high value. The L.C.C. paid £295,544 for its Housing Site at Becontree, assessed at £3,590; £50,339 for a site at Bellingham, assessed at £490; £120,000 for a site at Rotherhithe, assessed at £951. The whole 2,450 acres, for which the L.C.C. paid £465,883, were assessed at a "net annual value" of £5,031. These values cannot both be right. Either the purchase price (at twenty years' purchase) should be about £100,000, or the rateable value should be nearly £23,300. In either alternative, the rate-payers would benefit.

*This land is only "agricultural" for assessment purposes. It should be rated on its true value, and make its proper contribution to the rates by the expenditure of which its value is created and maintained.*

### THE FOLLY OF RATING BUILDINGS

Nor is this all. Our present law of rating not only encourages the anti-social practice of withholding land from its best use, or from any use at all, by letting the withholder off a large part or the whole of his rates; it actively discourages the proper use of land by imposing the burden of the rates only upon land that is used, and largely in proportion to the good use that is made of it. As soon as a man alleviates the house famine by covering vacant land with houses, rates are levied on the net annual value of land and houses; and the better he builds, the more rates there are to pay. *Our present rating system is "a hostile tariff against building."*

When the land was vacant it meant fewer houses and more overcrowding, less work for builders, less trade for local shopkeepers, more work for sanitary and poor law authorities, and *no contribution to the rates.* But, after the houses are built and occupied, the occupiers have to pay a heavy burden of rates, which is doubly unjust, because it makes houses scarce and dear, and because the expenditure of the rates so paid maintains the value of untaxed vacant plots against the men who would be willing to build upon them.

If we are really in earnest about solving the Housing Problem we must agitate to make Land Values, and Land Values only, the basis of the local rates.

### LOWER RATES AND LOWER RENTS

What would be some of the effects of such a change of the basis of rating in London?

Your "General Rate Demand Note" includes not only the strictly "local" demands of your Borough Council, but also your contributions towards the general government of the County—the moneys collected by the Borough Council on behalf of the London County Council, the Metropolitan Police District, the Poor Law Guardians, the Metropolitan Asylums Board, and the Water Board (deficiency rate). Every one of these rates would be lightened if all the vacant land, the sites of all the empty houses, and all the "agricultural" land throughout the County were assessed to the rates at its true value. Even if there were no vacant land or empty houses or "agricultural" land in your own Borough, all the central rates would be reduced by the full rating of the partly used or wholly unused land in other Boroughs. Lord Portman's vacant sites in Marylebone, and the so-called agricultural land at Eltham, would help to lighten the demands of the County Council on overcrowded Bethnal Green, and so on all round.

In the central "City" area, where wealth is most easily acquired, and in the rich West End Boroughs where it is most freely enjoyed, land values are very high. (Land has recently sold in the City at from £5,000,000 to £6,500,000 per acre.) If rates were based upon land values, the central area would contribute a larger proportion to the County Council and other central rates than it does now, and the poorer suburban Boroughs would have their rates reduced at the expense of the City land values which they help to create. The housing of the people in the suburbs would be specially helped by the change in the method of assessment; because in the suburbs, where land costs so much less than in the City, the larger part of the present assessment consists of the value of the buildings; the house is worth more than the land upon which it stands. The combined effect of the rating of land into use, of the relief of buildings from rating, and of the redistribution of the burden of the rates between the central and the suburban Boroughs would be to make the acquisition of land cheaper, to cheapen the cost of building, and to lessen the burden of the rates upon the occupiers of the houses, especially in the poorer Boroughs. All this would mean *more houses and lower rents*. The acquisition of new *open spaces* would be easier if people like Lord Mansfield could no longer demand 227 years' purchase of the "rateable value" for a place like Ken Wood; and the workers could demand *larger gardens* with their houses, if land could no longer be held up for famine prices.

### AND MORE EMPLOYMENT

It is clear that the proposed change in the basis of assessment would bring much land into use. Vacant plots would be built on; empty houses would be let; "agricultural" land in populous Boroughs would begin to relieve the House-Famine, or could be covered with glass-houses to grow food for the local population. These have been the invariable results where land value rating has been adopted. But land can only be put to such good uses by employing labour upon it. The absorption of the Unemployed in this way would not only remove the spectre of starvation from thousands of households, but would also relieve the rates of heavy burdens which now fall upon them through the poverty and sickness of those who are out of work.

### A QUESTION FOR THE L.C.C. AND FOR PARLIAMENT

But, it may be said, Why raise this question at a Municipal Election? The County Council and other local government bodies can only administer the law as they find it. That is true; but if the Council finds that the law as it stands is a bad law, unjust to the citizens whom they represent, they have the right and the duty to go to Parliament and to *ask Parliament to amend the law*. Hundreds

of municipal councils have already done so. Why should London hold back? In its early days the L.C.C. strongly advocated the Rating of Land Values. It will do so again, if you elect the right sort of members. There is no city in Great Britain where the reform for which we plead is more urgently needed or could have more beneficial results. Ask your candidates—of whatever party:—

*Will you, if elected, move the Council to petition Parliament to amend the Law of Rating, so that all Land may be rated on its true selling value, and all houses, buildings, and other improvements be exempted from rating?*

### THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES,

11, Tothill Street, Westminster, S.W.1.

### THE ENGLISH LEAGUE FOR THE TAXATION OF LAND VALUES,

376 and 377, Strand, W.C.2.

### QUESTIONS FOR CANDIDATES

#### At Parliamentary and Municipal Elections

##### *Parliamentary Elections*

1. Do you agree that the land ought to be treated as common property and that those who hold the land, which is provided by Nature, should pay a rent for it to the community by means of national and local taxation levied on the value of land, all taxation now imposed on industry, improvements and trade being abolished?

2. Do you agree that the Taxation of Land Values and the exemption of all improvements from taxation would prevent the holding of land out of use, provide public revenues without burdening industry, give freedom to production and trade, promote every useful enterprise, and thus remove poverty and unemployment?

3. Are you in favour of repealing Customs duties, whether imposed for revenue or protective purposes, and of abolishing taxation on industry and improvements, substituting for such duties and taxes a general and uniform tax on the value of all land apart from improvements?

4. Will you, if elected, press for immediate legislation to revalue all the land, so as to ascertain its present market value apart from improvements, and to impose a Budget Tax on the value of all land, with the corresponding reduction or abolition of the taxes now levied on improvements, on consumption, and in restraint of trade?

5. Will you, if elected, promote and support legislation for the levying of local rates on the market value of land and the exemption of houses and other buildings and improvements from assessment?

##### *Municipal Elections*

6. Will you, if elected, move the Council to petition Parliament to amend the law of rating so that all land may be rated on its true selling value, and all houses, buildings and other improvements be exempted from rating?

7. Will you, if elected, urge the Council to summon a conference of all rating authorities with a view to taking joint action in promoting a Bill in Parliament for the Rating of Land Values?

##### *Ask Liberal Candidates*

8. Do you support and will you promote the policy adopted at the 1921 Conference of the National Liberal Federation, which requires that the site value of the Finance (1909-10) Act, 1910, should be amended, brought up to date and made accessible for public use; that a uniform national tax be imposed on the capital site value