

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • MAY 1964

The Survey that Shook the Critics

by V. H. BLUNDELL

ONE of the chief obstacles to the acceptance of site-value rating*—or even to its consideration for that matter—among professional people, has been the lack of actual evidence to support the theory of site-value rating. To those well versed in the theory and application of land value taxation some of the objections advanced by critics seem very naive. Yet apart from those who use the argument of lack of evidence because it serves their purpose, there are others who simply cannot grasp what is to them a completely new concept of taxation.

"How can you possibly separate the value of land from the value of buildings?" it was persistently asked, and to the obvious reply that this is done in Australia, New Zealand, etc., came the retort, "Yes, but that is not England." Many critics asserted that while it was all very well to tax land values in new countries it was quite a different matter in old countries like Britain. One would imagine there were kangaroos jumping about the streets of Sydney!

Another favorite argument was that land, as land, would not produce any revenue worth collecting. Various estimates were made, usually based upon the valuation of buildings for local

taxation purposes—a hopelessly inadequate method of arriving at land value! Then there was the "cost of collection" argument and the "cost of administration"; there were the complications that were supposed to arise and the difficulties to be encountered.

All these arguments and many others have now been swept away by the pilot valuation conducted in the small town of Whitstable, Kent, a seaside town on the Thames Estuary. The valuation was conducted by a firm of professional valuers at the request of an independent professional, non-government body, the Rating and Valuation Association. The association is made up of private individuals in private and local government employ and includes valuers, surveyors and borough treasurers. Their survey showed that the figure of land value alone was almost equal to that arrived at by taking the valuation of land and buildings taken together in *their existing state*. It showed that a tax of only 12s.5d. in the pound would suffice to cover current expenditure for which the local authority was liable. It showed that most classes of property would benefit—particularly residential properties; and that the burden would fall heavily on land in the center of the town, but more especially on idle land. The

(Continued on page sixteen)

*In England, rating is local taxation.

(Continued from page one)

valuer stated that valuing land only, was quicker and simpler than valuing land plus buildings and improvements; that it could be done in a shorter time and that it presented difficulties no greater than those experienced under the present system.

When the report was published, newspapers all over the country made reference to it, many newspapers carried articles on the subject, as well as news items. Politicians have suddenly become interested — and most critics have remained silent!

At a conference sponsored by the Rating and Valuation Association in order to discuss the Whitstable Report between eight and nine hundred people attended, ninety per cent of those who spoke, spoke favorably of site-value taxation. So far the local authorities have shown the greatest interest.

Here in Britain the burden of the rates on residential properties is prov-

ing an intractable political problem. No one had the answer. Now the Whitstable Report gives it. The United Committee for the Taxation of Land Values held its own conference in London on the 11th of April, and supporters and workers for land value taxation here in Britain are determined to squeeze every ounce of publicity from the Whitstable Report. It has been the biggest single weapon presented to them for many years.

V. H. Blundell of London is editor of *Land & Liberty*, director of studies of the Henry George School in Great Britain, and Secretary of the United Committee for the Taxation of Land Values (parent organization of the International Union for Land Value Taxation and Free Trade, co-sponsor of the Henry George Conference). This very capable Georgist, "Vic" Blundell, was a protege of the late Arthur W. Madsen, and he carries much of the responsibility for the forthcoming international conference in New York.

The conference at the Henry Hudson Hotel, 353 West 57th Street, New York, Aug. 30 to Sept. 5, will bring together the International Union and the Henry George School for reports, renewed acquaintance and entertainment.

BAD FOR SOME — GOOD FOR OTHERS

It's a long lane that has no turning, and in an editorial signed by Perry Prentice in the *March House & Home* there was a hint of a turning. A friend of his in the construction business in Phoenix had lost \$1,000,000 on a "sure-fire land speculation," and he wickedly called this the best news heard in a long time. He added that he was sorry for his friend, but not as sorry as he would be if he had not been able to write off much of his loss against taxes he would have to pay on other profits.

"A few more bits of good news like this," Mr. Prentice said, "may save thousands of other builders from a like mistake and warn hundreds of land speculators that they had better start selling the land they are holding before it is too late . . . This could free the homebuilding industry from some of the crushing overburden of land costs and bring down the cost of houses . . . Anything bad that happens to land speculators is good news for everyone else."

Mr. Robert Clancy.
33-53 82nd St..
Jackson Heights, L.I., N.Y.