

A LAND UNION THREAT

"Stormy Passage" for the Valuation Bill

An editorial article in the May issue *Land Union Journal* makes it clear that the landlords' organization will meet the Land Valuation Bill with relentless opposition:—

"The Government propose to proceed with a general valuation scheme for the purpose of introducing Land Value Taxation and perhaps Rating. As regards these land tax proposals, we may say at once that the Land Union, as on a former occasion, will oppose to the utmost any such schemes being carried into effect.

"It is interesting to note that no doubt Mr Snowden realizes the difficulties of this special form of taxation, for instead of attempting a valuation and taxation measure at one and the same time, a system which proved disastrous to Mr Lloyd George, he is endeavouring to proceed by two stages, first, to obtain a valuation and then to design a basis upon which revenue should be collected.

"The last attempt in 1909-10 very largely failed not on account of the taxes themselves, but on account of the uncertainty which they produced, and even already the evils through which the motor industry passed during the weeks before the Budget, when no manufacturer knew whether the McKenna Duties would be repealed or not, are now being faced by all developers and builders throughout the country.

"It is now impossible for any person interested in building schemes to know what his position as regards taxation or rating is likely to be in twelve months' time, and such uncertainty must of necessity hold up many schemes, particularly where outside financial assistance has to be obtained.

"We do not know when the Valuation Bill is likely to be produced, but we prophesy for it a stormy passage and, we hope, ultimate defeat. Complicated as this question was in 1910, the position is made infinitely more difficult to-day, owing to the immense amount of legislation, for instance, Town Planning, Rent Restriction, Electrical Development, Arterial Roads and other measures which affect the land and which have in recent years been placed upon the Statute Book.

"Land and house property-owners and others interested may rest assured that these and other matters will not be lost sight of by the Land Union, for we shall endeavour to defeat any scheme for the taxation or rating of land values which must cause uncertainty, be a hindrance to development, raise rents, lower the supply of houses, and place increased burdens on those who have invested their money in an industry which gives employment to persons here at home. The struggle has now begun and we are not unprepared."

* * *

This looks quite familiar. The uncertainty, the hindrance to development, the raising of rents, the lowering of the supply of houses, increased burdens and all the rest is the common charge against the existing system. The Land Union would have its public understand that these things are absent now and that they are sure to come with the Land Value Policy. It is more than fetching; it is real clever, and should afford our speakers the chance of bringing some humour into their otherwise monotonous recital of the true facts of the case.

The Land Union (landlords' organization) say they will endeavour to defeat any scheme for Land Value Taxation, or Rating. It is a challenge to the United Committee and its supporters. The Land Union has strength and influence; the Committee with proper equipment can keep them busy. We welcome their agitation, for out of it some truth can come.

FARMERS AND THE PETROL TAX

By Prof. H. Gunnison Brown

We are indebted to Dr H. Gunnison Brown, Professor of Economics at the University of Missouri, for a copy of his new pamphlet *Tax Relief for Real Estate*, which deals with the contentions in favour of taxing anything and everything rather than the value of land. Suited to British conditions, the pamphlet might have been called "Derating Exposed," as the following paragraphs testify.

We commiserate the condition of the city home owner and of the owner of vacant lots which are rising in value from community development, through no effort of his, while he retards this development by holding the land out of use for a still higher price; hence we seek ways of relieving such real estate owners, and turn our attention to possible taxes on goods purchased by the poor who own no vacant lots and no homes but pay rent to others in order that they and their children may have a place to live.

Or do we urge these indirect taxes not altogether through sympathy with landowners but partly because of a feeling that only in this way can we secure needed revenue for the State? We notice the constant demand that there be "tax relief for real estate." We see that owners of real estate are politically powerful. We fear that their desire to avoid taxation will effectually block our plans for increased revenues for better prisons, hospitals and schools. And we are of the opinion that the poor are likely to be more amenable.

While these various proposals are being agitated, the value of city land moves steadily upward. Also, from city to city, we are constructing concrete highways paid for from taxes on gasoline (petrol) and so raising the value of the land lying alongside of and close to these highways, while the land of the farmer remote from these new roads remains cheap or grows even cheaper. Yet he, too, though his land, apart from the improvements on it, may be worth next to nothing, so that if only land values and not improvements were taxed his burden would be almost nothing, shares, often, the prevailing prejudices of the owners of more valuable land. And so, as he drives his old Ford car over the poor roads near his own farm, with taxed gasoline which is helping to concrete the highways elsewhere, raise the land values of others by far more than the gasoline taxes they pay, and create an aristocracy of well-to-do landed proprietors, into the ranks of which he, like the labouring man of the city, has small chance to enter, he is as likely as not to echo their sentiment in favour of "tax relief for real estate!" Thus there is wide support for a system of gasoline taxes which, relieving land, makes the many contribute to road improvements from which a comparatively few derive privileged returns in the form of higher value for their land!

What influences are back of demands for "relief" of farmers from taxation when the policies advocated definitely burden tenant farmers and farm labourers and make the rise to the position of independent owners as difficult for them as possible? What influences are supporting such demands when a tax system which would relieve those isolated farm owners who most need relief and which would, at the same time, favour the chances of tenant farmers to become independent owners, is studiously ignored? It would seem that many of the so-called spokesmen of the farmers, who are the loudest in calling for farm "relief," are definitely the enemies of tenant farmers and farm labourers as well as of the poor of the cities.

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