

"Now, one more word. Figure out how much more you will save by the abolition of all other taxes. A conservative estimate is that ten per cent. of all our expenditures can be charged to our present system of taxation. You will readily realize that you will not have to wait ten years to get back your thousand dollars, because five years or less will do the trick.

"Justice, you have done me a great favor by your clever exposition of the 'Single Tax.' I see the 'light.' What dumbbells we tax-payers are. Me for the 'Single Tax.'"

—ALEX PERNOT.

## Fortunes In Slums

NO problem affects so much the homes and the people of this country as does the Land question. At first glance it seems to have nothing to do with the average individual, yet it regulates the rent of his house, his railway fare, even his food! It strikes to the very heart of our existence.

Possession means power; and, as the land-owning class is only a comparatively small one it means that a monopoly of power over the many is held by the few. This power must be transferred from the landlord to some communal tribunal, if only to provide that the wealth which the tenant has invested and created in the land which he has leased shall remain his and not be grabbed by the ground landlord at the end of 99 or 999 or any other odd number of years.

Those who feel constrained to defend the land-owning class will say—and have said—that the tenant is a free-will agent: he has "freedom of contract;" he is not compelled to obtain the lease of the land if he prefers not to. Such an argument is as insincere as it is fallacious. There can be no real "freedom of contract" when one person is in the position to withhold that which numbers of other people must have.

It is only force of bitterly adverse circumstances that causes a man to sign the ordinary building lease contract under which he pays rent for the right to build a house which can never be his own, but which must inevitably become the property of the landlord who spends no money either on building the house or on compensating the poor devil who has built it.

In considering taxation one discovers that land steadily increases in value to the owner by factors to which he contributes nothing. The value of landed property, whether it be a farm or a house or a factory, is made up of its natural qualities (soil, contour, climate, etc.), and its position in relation to a town, transport facilities, social amenities, etc.

None of these is due to the efforts of the landowner: *the value of his land is due partly to the efforts and partly to the needs of the community.*

Let us take a hypothetical district of 10,000 acres which we call Desertown. Its value is £20 per acre until medical

skill discovers and publishes the fact that its sea-breezes have a peculiar charm for the cure of some dread disease.

In a year or two the district—now named Thymelia-on-Sea—becomes a select spa by virtue of the healthful climate and ozone-laden breezes. *But now the land is sold at £300 an acre!*

Or take another equally imaginary and equal typical town. It is blessed with a Town Council whose motto is "Progress with Economy." Because of the Council's clear-sighted policy the value of the landed property in the district goes up by leaps and bounds: its industries expand, land is wanted for new factories and railways.

Five years ago the fields on the outskirts of the town became the property of Mrs. Blank for £50 an acre, or were inherited by Lord Noodle for nothing at all. Now that they are urgently needed for houses the price is £500 an acre.

In both these cases—fiction founded on fact—the land has gone up in value through no efforts of the landlord. These increases of value, then, should never be allowed to drift into private hands and pockets. The natural qualities of Thymelia-on-Sea and the cultivated qualities of the other town belong to the community.

When we consider taxation, local and imperial, we find further evidence of dubious dealings. The land at Thymelia-on-Sea, waiting to be sold for £300 an acre, is rated at its grazing value, the equivalent of £20 an acre. It has two values: the selling value and the taxable value.

My contention is that land worth £300 an acre to sell to a man who wants to start a convalescent home is worth £500 or the equivalent rental in assessable value when the local Council wants to rate or tax it. Alternatively: if the land is valued at the equivalent of £20 an acre for rateable purposes, its value is £20 an acre when the Council or anyone else wants to build houses for people in which to live. If the landowner adheres to his claim of £300 an acre *he must be taxed on that valuation.*

On the other hand, there is another element of landed property that increases its value to the landowner. This arises from civilization—houses, etc.—and has been created, not as a rule by the landlord, but by the tenants and occupiers. This value is taxed and rated on an entirely foolish and absurd basis. Not merely is the income derived from the use of these improvements taxed, but the actual improvements also.

Such an imposition is plainly a tax on production. And the effect is to discourage house-building and to hamper industrial development.

It would ill become me to indicate evils if I failed to offer effective remedies. And the whole problem of land is capable of solution; this becomes more apparent when it is borne in mind that our antiquated land system penalizes those who improve the value of land by the erection of houses, etc.

My reform is aimed at the encouragement of such im-

provements and the penalizing of lazy landowners who hoard up land which they allow to run to waste while they are waiting for the plums to drop into their mouths.

To this end all derelict land, vacant buildings and undeveloped sites would have to be reassessed at their *real land* value. At present they are assessed at an exceedingly low figure; much lower than actual value of land.

Such reassessment would cause landowners to discover that it did not pay them to keep such land idle. It would be an almost irresistible inducement to such landowners, who now escape their share of taxation, to bring such land into its full use.

Together with this reassessment I would suggest that all future buildings and improvements should be disregarded when property is being assessed. In other words I would allow any man to spend his money and labor in building, or the laying out of any improvement, with full security that he would not be rated or taxed on his outlay.

Such exemption would considerably encourage people to build houses, shops, factories and to increase the productive power of the land in every way possible. They would know that such improvement of the land would cost them no more in rates and taxes than if they had left the land vacant or idle.

For reasons into which I will not enter here, but which should be obvious to all, it is easier to put the suggested reforms into operation now than it would have been before the war. These reforms, moreover, would not reduce really public revenue, seeing that the bulk of the new buildings and improvements which would be exempted from imposition would not have come into existence at all had not the exemption been granted.

As a matter of fact, public revenue (in bulk) and tax or rate payers (individually) would benefit by the reforms in more than one way. Land which, unfairly, contributes a very low sum to the revenue would then have to contribute equally with well-developed land. Further, by forcing waste land to be developed, and under-developed land to be improved, many of the sad army of unemployed would be absorbed into the work of land-development—this would mean less parish relief and therefore reduction in the Poor Rate.

There is one other benefit to the general public that my reforms would assure: a check to increased rents. The new houses, I have explained, would be rate-free: only the value of the bare land would be taxed, not the land *plus* its improvements. The rate-free houses therefore could be let more cheaply. And this would have a beneficial effect on all rents, because the rents of pre-reform houses would be kept in check in order to face the competition of the cheaper rate-free houses.

The reform outlined above would ensure a continual building and rebuilding activity. Its effect upon rebuilding alone (particularly of slum areas) would be highly valuable. At present the clearance of slum property is always highly

expensive to the community, because when a local authority attempts to buy up the property for demolition it is asked an outrageously high figure as compensation.

Under this scheme the landlord would clear the slum himself, because it would pay him to do so. He would see that by razing the property to the ground, preparatory to rebuilding decent houses, he would bring his land within the exemption clause. While the slum property stood his rates would be heavy; with the demolition he would be rated on the value of the land only and not on the land-value *plus* the house property.

One of the very few places in the world where house-building has gone ahead by private enterprise since the war is New York, where a system on these lines has been adopted; and in spite of prolonged but unsuccessful litigation by its opponents with a view to declaring it unconstitutional, it has resulted in the annual output of houses being multiplied four-fold during the three years since it came into operation. Also in spite of the exemption the assessable value of New York has enormously increased during the same period.

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In *John Bull*, London, England, April 26.

## Labor to Try Henry George's Land Tax Scheme in Britain

THE Labor government may be unable at present to introduce Socialism into Great Britain, but Philip Snowden, Chancellor of the Exchequer, speaking at Slaitwaite on the evening of May 16, announced his intention of putting some form of Henry George's land taxation scheme into effect. The Chancellor of the Exchequer declared that he hoped to establish a well-equipped department for land valuation, and at the first opportunity, he said, he meant to submit financial proposals for the taxation of unearned increment on land.

Mr. Snowden's present budget provides for restoration of the land valuation department originally set up under Lloyd George's famous budget and abolished by the Conservatives last year. When the Snowden budget was read critics expressed amazement that the Labor Chancellor could reduce food taxes so heavily. Where, they asked, was the margin for the unemployment schemes, the housing projects, the education and social welfare programs Labor is bound to carry out if it remains in office? Mr. Snowden's statement makes it clear that Labor expects to make the big land owners pay for these schemes. Tremendous interest has been stirred by the possibilities Mr. Snowden's announcement suggests. Liberal support for the plan is not considered altogether unlikely.

—N. Y. Herald

"ONLY by unintermitted agitation can a people be kept sufficiently awake to principle not to let liberty be smothered in material prosperity."—WENDELL PHILLIPS.