

TAXING LAND VALUES

By Rev. Wm. Drury, Arundel



REV. WM. DRURY

Everyone should understand what the *taxation of land values* means, as it is a little bit of politics quite by itself. This policy is coming to the fore now. It stands for an economic and therefore a real revolution. I believe that it can only come by the taxation of land values. It is not that the money raised by such a tax would be of first importance; it is the effect on the method of managing land and property in business that would make the change. A tax on land

value would force certain things to happen which we want to see happen.

Men are not rewarded for their work under the present system according to their worth, but if a man's work is above the average, something seems to tip up the scale in his favour so that he is rewarded many times more highly than he ought to be, while if he is ever so little below the average the same thing tips the scale against him and down he goes much lower than he ought to be. When he is up, he stays up long after he has become worthless, and if he is down, he finds it much harder to get up than he ought to do.

Some people contend that all the wealth there is should be owned and managed by the Government, but the land-taxer says it is sufficient to deal with the land from which all wealth comes, and from which all future wealth must come; and he proposes to deal with it, not by letting the Government manage it, but by taking away the rent of it from private individuals and by letting that rent maintain the State instead of all other taxes. Suppose a piece of land brought its owner in £60 a year, the land taxer would begin by taking a penny in every pound: that is 5s. a year, and would increase the tax gradually so as to make it easy to effect the great change, until the full rent of land was taken for public purposes.

In this way there need be no change in the use of a piece of land at all where it was being properly used and producing its value every year. The rent, of course, does not include the profit made by those who carry on business on the piece of land, for they pay the rent to a landlord at present whether they make a profit or not.

A great deal of land in England is very valuable and yet does not produce anything like its value. If you went to buy it you would be asked a price far above the value it returns every year. This is because land is held as a security by those who can afford it. They go without the profits of the year, because as time goes on and population increases, that piece of land is bound to become more valuable, and when they do sell it, at last, they are likely to get what they gave for it, and as much more as will make up for the years in which it has lain idle. It is a good security for those who want to save money; in fact, it is far and away the best security that exists. But this is not a proper use to make of land. Practically these people are keeping land out of use for the benefit of their grandchildren, a generation that we shall never see, and in the meantime we need the land.

One important thing that should be mentioned is that nothing which is the result of labour must be taxed, but only the land, which no one made, and no one has the right to own. The things on land which are the result of labour are called "improvements," and it is essential to get them valued apart from the land. The valuer would settle the value of the whole farm or factory with its buildings first; then he would estimate what it would cost to replace anything on it at to-day's prices, and the result of subtracting one from the other would be the value of the land.

Now if a tax was imposed, reckoned upon the value of the land whether it is used or not—that is, upon the value they would sell it for—they would either have to sell the land or make it produce its value in order to pay the tax. Land would become cheap, and that is what is wanted, not the tax itself.

Now if land were cheap there would be abundance of opportunity for every kind of business, not only agriculture, and those below the average would have all that nature could give them, and those above the average would not be able to monopolize the opportunities.

EIGHT ACRES FOR £1,000,000

Sale by the Duke of Westminster

The Duke of Westminster has concluded the sale of about eight acres of the Grosvenor Estate to the Associated London Properties, Ltd. It is stated in the *Daily News* (20th March) that the price paid is in the region of £1,000,000.

The *Times* (19th March) points out that the sale involves the extensive and valuable land to the west of Millbank and Grosvenor Road; and includes Horseferry Road, which will be the main route between Victoria Station and the new Lambeth Bridge when the latter is completed.

The whole neighbourhood has been undergoing great development during the past few years. The purchasers of the property contemplate the laying out of roads that will increase the accessibility of this district to Victoria, Chelsea and the West End generally; but it is the building of Lambeth Bridge (the old structure having been closed to traffic for 20 years or more) that has stimulated this land development and has so enormously increased the neighbouring values.

The Duke has benefited from this public enterprise in the sale of 8 acres for £1,000,000, but the speculation in land values proceeds apace, the *Times* itself remarking that *building sites will probably be let or sold to those requiring accommodation, and thus revenue without direct responsibility is expected to accrue to the present purchasers.* (Our italics.)

A glance at a map of London printed in the year 1889 reveals how much the district has been improved in the intervening period. Old chronicles record that "with a parcel of land called the Millbank, valued at 58s., it was given by Edward VI to Joanna Smith in consideration of service."

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