

ANSWER TO A "TIMES" CORRESPONDENT

In a letter to the *Times*, 1st August, Sir H. Trustram Eve put forward 18 points against Mr Snowden's Bill. This is four more than the late President Wilson had in his quest for the great Peace and eight more than Moses delivered in the Ten Commandments. Some of Sir Trustram's points are not at all to the point, and all of them clearly are born of passion and not of understanding. The Bill, so far as Sir Trustram counts, was prejudged and pre-condemned.

We have been urged to answer the *Times* correspondent and make response, after the manner of his own mode of expression. It has not been a formidable but a tiresome task to wander through this perfect maze of childish objections. The experience recalls the story of the speaker who gently advised his opponent that he could not believe in contradictories, only to get the reply from his man that he could believe anything he liked!

We suggest to our friends who are inclined to take Sir Trustram seriously, that if this is the best that can be said against the Bill it ought to pass the Second Reading in the coming Session. In any case, it is just fine to read in the great journal that Henry George started the idea of land value taxation. It should help the sale of our popular 1s. edition of *Progress and Poverty*. We can be very much obliged to Sir Trustram for this contribution to the debate.

But to his 18 points, one by one:

1. That since George (Henry) started this idea there have been many Acts of Parliament passed providing for compulsory acquisition of land for public purposes, until in 1930 there is not a single need of a public nature which need stop for land.

From an overflowing harvest of examples—recorded in *Land and Liberty* month by month—that flatly contradict this statement we take the first that comes to hand. At the Grimsby Town Council, 27th January, protests were raised against the purchase of two strips of land comprising 1,530 square yards at the rate of £1,000 per acre. But perhaps Sir Trustram means that every need can be supplied, if the public will only pay the monopoly price!

2. That there is no precedent in this country for charging taxes or rates on capital values of land belonging to those who are living in ownership of that property.

What about the Death Duties? They are levied on the capital values of land "belonging to those who are living in ownership of that property"; and Sir Trustram ought to know that throughout the British Dominions capital value is taken as a basis for local and State taxes on land value. As for the want of precedent excuse, it is the last ditch of the "diehards" and its acceptance would put an end to all progress. But indeed what is Conservatism if not the worship of precedent? As "C.B." once answered: "If there is no precedent, let us make one."

3. That the expense in ascertaining the site value of each property or each occupation of property is not warranted.

What about the expense of the existing methods of raising local revenue? The land valuation of New York reveals the fact that the land value apart from improvements works out at 7,500 million dollars (1,500 million pounds) and the cost of the work, which is done annually, is one million dollars. The cost works out at no more than 0.014 per cent of the land value ascertained—and the expense would be less if New York did not at the same time value improvements. Consider four capital cities within the Empire. Sydney, Brisbane, Wellington and Johannesburg, all four take their municipal revenue from land value. There is not, and never was, any complaint of the cost of valuation.

4. That there is no precedent for a Bill for valuation without disclosure of the duties to be charged on site values when ascertained.

Lord Strathclyde once answered this objection to the effect that we must cut our coat according to our cloth. Before we can exactly say what a penny rate or a three-penny national tax will produce, the land must be valued apart from the value of improvements. Without valuation how could any assessor of a county or a town say what a penny rate would bring in?

5. That ascertained values of site under this Bill will in many instances be stale in a short time.

That is not particular to land valuation; no one knows better than Sir Trustram how stale all existing valuations would become but for periodic revisions. In Scotland there is an annual valuation for local taxation.

6. That at a time when industries are depressed the Bill, if passed, will add to the feeling of insecurity which already exists.

It is hardly possible for any change to add to the growing feeling of insecurity. It is not the coming of the Bill, but the long-felt want of it, that can be stressed in relation to the depressed industries. It was Campbell-Bannerman who declared that "Our present rating system operates as a hostile tariff on our industries, it goes in restraint of Trade, it falls with severity on the shoulders of the poorer classes in the very worst shape, in the shape of a tax upon house-room."

7. That owing to the invention of the internal combustion engine, "position" as affecting site value has gone.

Let Sir Trustram Eve's co-worker in opposition to the Bill make answer: Mr R. Strachan Gardiner, Secretary of the Central Landowners' Association, in a letter to the *Times*, 6th August, writes:—"Owing to the extended use of the private motor-car and omnibus services which now cover the roads of this country, an official claim to site value may be made over a much larger area than was formerly the case."

8. That since 1919 special adaptability of land for a special purpose is disallowed to the owner of land which is taken compulsorily, yet in finding some site values under this Bill "special adaptability" may be an important factor.

How can "special adaptability" of some site values be an important factor if (point 7) the internal combustion engine has knocked out of all recognition the "position" where the value must be located? Evidently Sir Trustram Eve believes in contradictories, but the merest tyro in economic investigation can't afford to be caught out in any such fallacious reasoning.

9. That Town Planning Acts give an orderly arrangement of land with defined access thereto.

Whatever has this to do with the case? In the matter of housing and orderly municipal expansion, the Town Planning Act has been a ghastly and a costly failure. The Town Planners and Housing Reformers can only move in subsidies. In Sydney there are no slums (such as we know them), but most extensive building, and without subsidies. Sydney has land valuation and nearly all municipal revenue is levied on that basis.

10. That existing Acts give power for the State to acquire land on either side of arterial, orbital, or by-pass roads, and in certain circumstances betterment can be claimed.

Yes, of course the existing Acts provide for acquiring land, at a price. There is no act to provide that the State, or the individual, will pay for the land just what it stands for in the Assessment. Why should the land-owner have one value for the rate-collector and another for the would-be purchaser? Sir Trustram gives his conscience and his reason a chance at this point, in a

sympathetic glance at the principle of betterment. But land value is the more comprehensive term ; it is up to date and better understood.

11. That population no longer governs or causes site value, but internal combustion engines and services such as water, electricity, gas, and sewers, and private enterprise.

Population not only continues to govern site value, but all other values. In his speech at the Annual Meeting of the Underground Railways, Omnibuses, and Tramways—London, 27th February—Lord Ashfield, pointing to new developments, said : “ London has become a centre of a larger life ” ; and not for the first time reminded his Company “ that the construction of such railways leads to the creation of land values.” Population is behind all such progress, not excluding the important section that are devoted to engines, electricity, gas and sewers. As Ecclesiasticus has it : “ Without the ploughman, the carpenter, the workmaster, the smith and the potter, cannot a city be inhabited.”

12. That natural beauty is being spoilt by unrestricted access to land.

This is a complaint against the existing system of land tenure and taxation. The land value policy will reveal very many beauty spots for the public good now hidden behind the ramparts of land monopoly.

13. That gardens having site value will be curtailed. That sports grounds of necessity must be of some area, and they have site values often higher than that for sport only.

Millions of people can say how they are jammed together at present and denied decent elbow-room. As Mr Lloyd George once said of the suburbs, where there is supposed to be no overcrowding, “ they dole the land out by the inch.”

14. That the Bill will be a serious blow for allotment holders—already a decreasing class—and for occupiers of agricultural and accommodation land with a site value other than agricultural.

In the matter of allotments the facts are—as stated by Mr Noel Buxton, Minister of Agriculture (now Lord Noel-Buxton), in the House of Commons, 24th March—“ that in 1924 the number of allotments was 1,700,000, covering an area of 168,500 acres. In 1928 the number had fallen to 1,024,000 and the acreage to 154,000—a decrease of 14,500 acres. Local Authorities had to pay £424,975 for 3,473½ acres for allotments—£122 an acre.” It is in the “ content ” of the Land Valuation Bill that the time has come to put an end to this extortion.

15. That agricultural land is in fact the use of the top few inches cultivated over centuries. That it has been exempted from rating, and yet its foundation and support—called site—is to be valued and some day taxed and rated.

The Bill does not mean that agricultural land (top or bottom) is to be taxed and rated, only land value. As Sir Trustram Eve says, agricultural land has already been exempted from rating. Yet that has not helped the farmer or the labourer. If the land can be valued for the benefit of the landlord class it can be revalued for the benefit of the men who do so much for the industry “ in turning over a few inches on the surface.”

16. That the tax and rate will be passed on to occupiers in so far as the present rent is not the rack-rent.

If a tax or rate on land values can be passed on, what is all the bother about ? The objection recalls how the “ Office Boy ” 34 years ago answered the question (*Land & Liberty*, July, 1896) :

Caller—“ Editor in ? ”

Office Boy—“ No, sir.”

Caller—“ Ah ! I’m sorry. Had a bit of a staggerer for him, but I’ve written it down and perhaps he’ll try to wrestle with it in his next number. I believe

he holds that a tax on Land Values can’t be shifted on to the tenant ? ”

Office Boy—“ That’s so, sir.”

Caller—“ Is it now ; well, listen to this.” (Reads from a slip of paper). “ If a tax on tobacco falls on the user or consumer of tobacco, that is, on the smoker—”

Office Boy—“ Yes, sir.”

Caller—“ And a tax on spirits falls on the user of spirits, that is, on the drinker—”

Office Boy—“ No doubt of it, sir.”

Caller—“ So a tax on Land Values will fall on the user of land, that is, on the farmer and the tenant, will it not ? ”

Office Boy—“ Oh no, sir. A tax on *Land Values* will fall not on the user of land, only on the consumer of *Land Values*, that is, on the landowner.”

Caller, in a kind of brown study, slowly and quietly backs out of the room.

Office Boy—“ Blest if he ain’t seen the cat.”

17. That George (Henry) being dead, and George (Lloyd) having repealed his effort of 1909, and conditions having changed so remarkably since the seventies and 1909 (I think that was the year of the great motor race to Brighton when about half the starters did not reach Brighton), the Bill is simply vindictive and is not necessary to the happiness of the people.

Many things have changed these past twenty years, but economic laws keep moving in the old way. The experience is that material progress results in higher land values, and this means lower wages. It is surely to “ the happiness of the people ” that publicly-earned values should be appropriated for public uses. The existing method of allowing private persons to appropriate public earnings bears relationship to a vast amount of unhappiness that is harmful, unnecessary, and ought (if only in the interest of the State) to be abolished.

18. That by the time the valuation is completed this Government will not be in power.

Very likely not ; but it is not the first time a Government has disappeared leaving one of its principal Measures to be considered some other day. Meanwhile, the Bill is being discussed. This must be well done, for it is public opinion that ultimately governs legislation. The principle of the Bill is sound. As Lord Oxford once put it : “ The taxation of land values would promote industry and progress.”

SUMMARY

With all respect to Sir H. Trustram Eve, there is some difference between his notion of what “ access to land ” means and what Henry George argued. He should invest in a copy of *Progress and Poverty* (price one shilling) for exact information on the subject. Sir Trustram mentions “ 50 Acts under which private interests gave way to public good until now no public need is withheld through want of access to land.” The columns of the daily Press can at times bear eloquent testimony to the contrary opinion. It was only the other day the Prime Minister referred to Government schemes framed to take in the unemployed that were held up by landlord exactions.

Yes, it is quite hopeless to rouse public opinion against the Bill. Opposition to it must be confined to Parliament. Its popularity in the country is assured. The Labour and Liberal Parties are decided for it. In the main the Tory Party shelters the rack renters and the land gamblers ; it also shelters very many of their victims, and it is right here in the camp of the enemy where Mr Snowden can assuredly look for very much support for his Bill.

J. P.