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Is this the way to open up the land goldmine?

"WILLIAM THE CONQUEROR had the right idea about raising revenue," said Mr. Victor Blundell as we walked along Vauxhall Bridge Road, London S.W.1. "He taxed his barons on the bare value of land.

"Ever since then the tax burden has been gradually shifted on to production and wages until today there is no revenue from land, as such, at all.

"It's time we got back to 1086, the Domesday Book and all that."

Fifty-two-year-old Mr. Blundell, a small man with a round face, blue eyes and the fervour of a disciple, believes he has a hand on a key to a near-Utopia.

He is secretary of The United Committee for the Taxation of Land Values, but don't be put off by the title. If we paid our taxes this way, says a growing army of supporters, there would be enormous advantages.

Mr. Blundell's explanation included our walk along Vauxhall Bridge Road to visit what he called "a classic site." Adjacent to one another were a new five-storey office block, a tiny one-storey house and a blitzed site, each occupying about the same amount of land.

ENTERPRISE

"Under the present rating system," said Mr. Blundell, "the man who has had the enterprise to put up the modern offices and make full use of valuable land is rewarded by having

● **SKY-HIGH** land prices have become a major General Election issue. Mr. Harold Wilson, in a bitter attack last week, estimated that speculators will make another killing by pocketing £500m. out of the Conservative plan to develop the South-East. How can this be avoided?

Today a growing number of people is becoming convinced that something called land-value taxation is the answer. More, that using this system would make available more building land at cheaper prices for land-starved places like Birmingham, lower the price of the house you want to buy, give industry a new boost, cut your taxes—and give us a much-needed new rating system as well.

How could any one reform achieve so much? The claims are explored in this article

by **Anthony Hancox**

to pay a great deal more in rates. What a way to encourage the New Britain.

"Yet the man next door, with the little house pays far less in rates, although he enjoys land just as valuable and chooses to make poor use of it.

"The third man is squandering some of the nation's land resources completely by leaving a valuable site empty ever since the war. His land is as valuable as the other two plots, yet he pays no rates at all. Isn't it a crazy system?"

Underlying this conversation was the basic belief of supporters of land-value taxation—that the value of a piece of land is created by the community,

not the individual owner, and therefore the community should benefit from it.

At his office up the road, Mr. Blundell illustrated this principle with the help of a local newspaper report which said that a firm had just paid £120 a square foot for land to build a new office block.

"This firm knows there is going to be a new dual-carriageway and a lot of other developments round here," said Mr. Blundell. Values will shoot up—and that site will increase in value because public and other people's money is being spent. It acts like a mirror and throws money across the street."

Mr. Blundell's belief in this principle

is so strong that he gave up a nice house and the general managership of a shoe-store chain in Nottingham to work for the United Committee in London and live with his wife and child in one room.

(If you are tempted to smile, remember what happened after Karl Marx scribbled away at "Das Kapital" in the British Museum.)

The United Committee's manifesto, just issued for the General Election battle, therefore boils down to this point: all LAND should be assessed and given a value according to size, where it is and what it enjoys.

It could then be taxed in one of two ways. Most favoured at present is that the tax should be collected locally and should entirely replace the present rating system.

Or it could be collected on a national basis and be used to wipe out purchase tax or bring about a general lowering of income tax.

"Let me emphasise that it is a substitute, not an additional tax," said Mr. Blundell. "It has been worked out that it could bring in nearly half of the £6,500m. a year the Government is now spending."

SPECULATORS

How would it clip the wings of the speculators? Mr. Blundell reminded me of the "enemy's" rapacity by quoting from his files recent examples of land prices in the Midlands.

Land at Stechford, Birmingham—£16,000 an acre. Ten acres at Selly Oak—£205,000. Eleven and a half acres at Coventry—£112,000. Forty-five acres at Stratford-upon-Avon, sold in 1957 at £562 an acre, some of it resold this year at £6,400 an acre.

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"All over the country there are people withholding land, leaving it idle, watching the prices go up and up, waiting to make a killing," said Mr. Blundell. "But suppose there were a land-value tax. These owners could not afford to pay it year after year while getting nothing back from the land. They would have to develop the site or sell it."

"In the 'white land' area round Birmingham (earmarked for Green Belt, but not scheduled) speculators have already moved in, paid silly prices for agricultural land, on a safe bet that one day Birmingham will have to extend into these areas. The people will be held to ransom."

There was also the case of the secret group of businessmen which has just paid £65,000 for the home of Mr. Jack Cotton, the Birmingham property tycoon who died in March. It covers three acres at Marlow, Buckinghamshire, and is one of the most valuable sites on the Thames.

A spokesman for the group had said publicly that the property had been bought as an investment, the house would be left empty for two or three years (and would therefore pay no rates), by which time it was expected the value would have gone up by £10,000. Then they would sell or develop the site.

"Never before have we heard such a blunt and cold-blooded confession," said Mr. Blundell. "It would not be possible to do that if there were a land-value tax."

It should follow that if people cannot hang on to land, more comes on to the market, prices drop. The fact that land would be liable to a tax would deflate the prices further, how much depending on the rate of tax.

Think of the effect on house-buyers, said Mr. Blundell. Land is a big fact in a house price—between a third and a fifth in most built-up areas. House prices, too, would therefore come down. Young couples would have to borrow less.

It would also mean a new boom for industrial areas such as Birmingham and the Black Country. Factories (and people with houses for that matter) were now penalised with higher rates when they developed and modernised. With land-value tax, they could build and re-equip without fear of their rate bills soaring upwards.

"If you only realised what is rated at the moment," sighed Mr. Blundell. "Public lavatories, machinery, bowling greens, tunnels, even sewers—the madness of it all!"

TEST TOWN

One of the United Committee's biggest snags has been that it could only theorise and not demonstrate its beliefs. Last year, however, under the auspices of the Rating and Valuation Association, the seaside town of Whitstable, Kent, was used as a guinea-pig for site-value ratings.

The surveyors assessed each site, ignoring the buildings on them and whether or not the land was idle. They reported that the job was perfectly practicable and they worked out land-value taxes to bring in as much revenue as Whitstable was raising with ordinary rates. Then they compared the two systems.

It was found that residential property as a group at present paid 74 per cent. of the total revenue whereas under land tax the figure dropped to 42 per cent.

As groups, houses paid 43 per cent less; flats and maisonettes 59.4 per cent less; shops, hospitals, banks and offices paid 16.9 per cent less; factories and workshops paid 47.9 per cent less.

"These are averages," pointed out

Mr. Blundell. "The difference varies from house to house. But nearly every one got a reduction, very few an increase, because they happened to be small homes on very valuable land."

There must be a snag to all this, of course. If so many people pay less, who makes up the difference?

The answer: those who own land which has been scheduled for development, who now don't pay rates at all because the land is idle; and those with poorly-developed land (who pay little in relation to the value of their land).

Scheduled land now idle, for example, was given a total guinea-pig rateable value of £98,600—against the "nil" which it now contributed to the rates.

Agricultural land, allotments (both now contributing nothing) and caravan sites (now contributing nothing like what the sites are worth) also "caught colds."

Mr. Blundell illustrated the differences with a book of photographs taken by one of the surveyors. "This house, 30, Burnan Road, present rates, £41 16s. 6d. Land-value rate, £14 7s. 6d. This plot next door, now contributing nothing because it is empty. Land-value tax, £16 17s. 6d."

It stands out a mile that there would be a row with farmers if their land was so rated under this system. Row apart, would it add to the cost of agricultural products?

The United Committee maintains that it would not. Its argument runs: Market prices control what a farmer gets, not the other way round. All economists acknowledge this. The farmer-landowner would bear the tax according to the value placed on his acres.

GOD'S GIFT

What about the Big Landed Gentry of our island? Mr. Blundell's reply was brisk: "They're going to feel the pinch. They are monopolising God's gift of land and making the rest of us economic serfs."

He cited the Duke of Westminster. He owned 90 acres in Mayfair, 180 acres in Belgravia, 11,164 acres in Chester, 12,000 acres in North Wales, 3,000 acres on the Bridgewater Estate, Shropshire, and 90,000 acres in Sutherland.

"He would have to use the idle land or put it on to the market because he couldn't afford to pay the tax without getting a return," said Mr. Blundell. "With land in use, he would pay the tax and so share the fabulous rents he is getting with the community."

"He already pays income tax? We don't think it is enough out of unearned income."

It is claimed for land-value taxation that eventually it would end what many hold to be one of the greatest iniquities of all—the leasehold system. It is theorised that over a period of time, the full value of a piece of land would be paid in tax and it would, therefore, be profitless to lease land.

At the drop of a hat, any official of the United Committee will reel off Denmark, Canada, America, Australia, New Zealand and South Africa as places where land-value taxation is carried out in some form.

"Here is the town clerk of Sydney, Australia," said Mr. Blundell, "saying that land-value tax instead of rates on buildings has brought about a great transformation in his city—big expansions in residential, apartment and industrial building."

The United Committee says that interest and support for its cause have gone up by leaps and bounds since publication of the Whitstable Survey.

It now wants the Government "in the public interest" to sponsor a similar survey of all land in the country. If not the Government, then an organisation like the Nuffield Foundation.

The committee claims to be politically independent and to have local councillors of all parties among its

supporters. Only one political party manifesto, however, looks attractive to the committee—the Liberal manifesto, which commits the party to introduce a system based on site-value rating.

Mr. Blundell demolishes the Tory and Labour proposals for dealing with

the land crisis. The Tory plan to buy up earmarked land before the speculators get it would never succeed, he says.

The Labour plan to buy land at existing—use value only would merely prompt owners not to sell and to make the shortage worse.

"There is one last authority I would like to quote," said Mr. Blundell. "This man once said: 'Roads are made, streets are made, railway services are improved, electric light turns night into day, water is brought from reservoirs a hundred miles off—and all the while the landlord sits still. Every one of these improvements is effected by the labour and cost of other people. Many of the most important are effected at the cost of the rate-payers.'"

"To not any one of these improvements does the land monopolist, as a land monopolist, contribute, and yet by every one of them the value of his land is sensibly enhanced. "The land may be unoccupied, undeveloped, it may be what is called ripening—ripening at the expense of the whole city, of the whole country, for the unearned increment of its owner."

"At last the land becomes ripe for sale—that means that the price is too tempting to be resisted any longer. And then, and not till then, it is sold by the yard or by the inch..."

"It is not the individual I attack, it is the system. It is not the man who is bad, it is the law which is bad. We do not want to punish the landlord. We want to alter the law."

"Do you know who said that? Well, it was Winston Spencer Churchill at Edinburgh in 1900."