

THE SHOPKEEPERS' BUDGET

Why the Shopkeeper should Support the Taxation of Land Values.

HIS ENTERPRISE AND THE BURDEN OF RATES AND TAXES.

OF all the units of our population, the shopkeeper, no matter in what city or town, or in what part of that city or town, is one of the most useful, and helps forward the prosperity of the district in which he operates as much as any other. It is his activity and business energy which play a large part in bringing about the progress and prosperity of his particular district, and so indirectly of the nation. But instead of being encouraged to persevere and being rewarded for his enterprise and energy, he is discouraged and penalised. The reward he gets often decreases in proportion to the labour and enterprise he expends. The more he spends in improving his premises and fittings, the more rates and taxes he has to pay.

A short time ago Messrs. Craven and Speeding Brothers, of Sunderland, erected some new buildings, and installed some new and improved machinery. As a reward for their enterprise, round came the Rating Department of the Corporation, and advanced the assessment of the firm by £500 per annum!

Similar conditions prevail throughout the kingdom. Industry is penalised and enterprise discouraged everywhere.

In one of Glasgow's busy streets there is a building which cost £4,700 to erect, and the ground rent of which was £30. The premises were fully let, and the feuar, or lessee, being an enterprising individual, and knowing that it would be an advantage to have a new frontage and wider staircases, among other alterations had these changes effected at a cost of £1,500. What

happened? The City Assessor came along, admired the changes and put up the assessment from £270 to £375, making a difference in the yearly payment of the rates of over £30. This is the encouragement meted out to progressive and enterprising business people. Fined £30 a year for improving their business premises!

HIS GOODWILL AND THE LANDLORD'S POWER.

The more a shopkeeper creates a goodwill and becomes identified with his site in the street, the greater power the landowner has over him when he wants to renew his lease. In times of prosperity he is apt to lose sight of the heavy weight he has to carry, for his profits are good, but after a year or two of slackness in trade he feels that he is only really working for the landlord and the rating authorities. Everything seems out of joint with him and his affairs. He economises, takes no business risks, loses opportunities, worries, and works longer, gets sick at heart and queer with his bank.

Many tradesmen who ten years ago made up their minds to retire at the end of five years with a larger competence than they then had, are still in business lamenting that they did not retire when they had the opportunity. Instead of increasing their savings, they found the opportunity of retiring at all gradually disappearing. They have been doing their duty to the community, trying to help on commerce, and have been punished for their pains. They have had to pay in order to increase other people's incomes, for they have contributed largely to the increase in land value that has taken place in every business and commercial centre, and which invariably finds its way into the landowners' pockets.

CONFISCATION OF THE RESULTS OF INDUSTRY.

This despotic power which the landowners have enables them to confiscate the results of business and commercial activity and talent. Here is an example :—

The lease of premises in Piccadilly, occupied by an old-established and famous firm identified with the premises, was renewed in June, 1909. The expired lease itself was a renewed term of twenty years. The old rent for the land and buildings was £800 per annum. The new rent for the land alone is henceforth to be £1800 per annum, and the lessees are to erect a costly building, which at the end of the lease will revert to the landowner.

What has happened in Piccadilly has happened in every growing town. The landowner swoops down and carries off the fruits of industry.

At Sheffield practically the whole of the more important part of the city belongs to the Duke of Norfolk, whose predecessors let the land to people who built steel works and many other kinds of industrial premises, thus making Sheffield a large and famous town and the land valuable. For some years past these leases have been falling in and enormous values reverting to the Duke. In South Street and Broad Street Park, Mr. Unwin, a draper, held a lease from the Duke at £5 1s. per annum. The lease had six and a half years to run. To secure a renewal Mr. Unwin had to surrender the six and a half years' unexpired term, accept a lease for forty years only, pay a rent of £150 a year instead of £5 1s., spend £1,000 in improving the buildings, and continue to pay all the rates.

RESTRICTED USE OF LAND—RESTRICTED TRADE, AND UNEMPLOYMENT.

Under our present system the use of land is restricted, and men having control over land are encouraged to hold it out of use while people are working around and increasing the need for it, and, consequently, the value. They hold on just as long as they think suitable, in order that, as a consequence of the increasing activity and numbers of the people in the vicinity, and the demand for this land becoming greater, they are enabled to demand a high and, in many cases, exorbitant price of rent for its use.

This restricted use of land is extremely harmful to the interests of trade and commerce, because land being the fundamental factor in all production, whether of food, manufactures, or any conceivable article of domestic or commercial use, the restricted use of land must mean restricted production, whether manufacturing or agricultural. This affects the shopkeeper in several ways. The manufacture of the articles he stocks being restricted, they are more costly than would otherwise be the case; consequently, he must charge a correspondingly high price, and so restrict the demand for them. Again, Agriculture and Manufacture being restricted, employment is restricted. People are out of work, causing fierce competition for what employment there is; thus wages are lowered, lowered, in fact, as far as they possibly can be. This unemployment hits the shopkeeper in two ways. In the first place, his customers are impoverished, and so purchase less; and, secondly, rates are increased to meet the expenses of unemployment evils, poor law relief, and the workhouse.

TO FREE INDUSTRY AND ENCOURAGE ENTERPRISE.

Surely there is something wrong here. The system which takes so much from the industrious shopkeeper, so indispensable a member of the community, and enriches the idle landowner who contributes nothing to the welfare of the community, is

absurd and out of date. **A new system of rating and taxation is required**, so that when an individual works hard and well, instead of being discouraged by being mulcted in heavy rates and taxes, as is now the case, he would be encouraged to increase his efforts by the exemption of his improvements from rates and taxes. **This would be accomplished by adopting the Land Values system of taxation**—that is, all rates and taxes should be levied on the value of land. This is the only equitable method; for just as the increased value of a shopkeeper's business is due to his own energy, enterprise, and ability, so is the value of land due to the presence, activity, and enterprise of the people on and around that land. As the land owes its value to the energies of the people, it is only just and fair that the people should utilise that value to meet their expenses as a community, expenses incurred in road-making and repairing, scavenging, cleansing, and the thousand and one things that are necessary where people congregate.

FREE LAND MEANS FREE INDUSTRY.

A tax on the value of all land would induce the landholders either to make good use of their land or to meet on reasonable terms those who require its use. Land thus being made accessible, agriculture would be revived, manufacture stimulated, employment increased, and better trade secured. The shopkeeper would get his stock cheaper, his customers would be better off and purchase more, and when he enlarged his premises he would not be oppressively rated. When his lease fell in, and he wanted to renew his tenancy, the landlord would be more anxious to treat with him in a reasonable way.

Shopkeepers, having much to gain, should make it part of their business to help push along this much-needed and long-delayed reform of our rating and taxation laws.

Taxation of Land Values Means:

Lower Rates and Taxes.

More Customers and More Profit.

Published by the UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES,
20, Tothill St., London, S.W. Telephone, 5774 Westminster. Telegrams, "Enlav, London."
LAND VALUES PUBLICATION DEPT., 376-7, Strand, London, W.C. Telephone, 1532 Gerrard.
And 13, Dundas St., Glasgow. Telephone, 1146 Post Office.
Printed by the LONDON COLOUR PRINTING CO., LTD., Esmoor St., North Kensington, W.

Prices 6d. per 100, 4s. per 1,000.