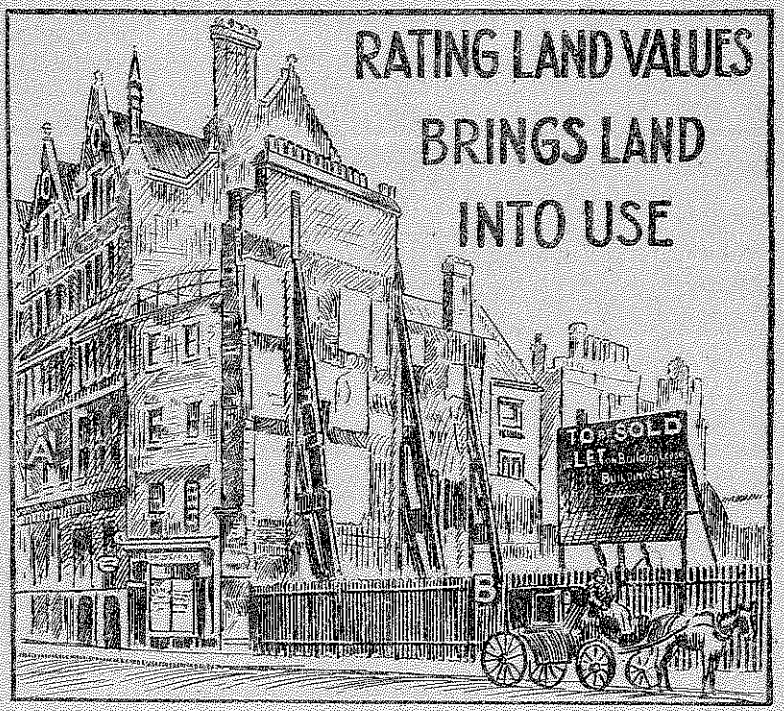
Leaflet No. 33.

WHY THE RATES ARE HEAVY IN LONDON.

RATES are heavy because owners of valuable land withhold it from use and contribute nothing on its value towards public expenses, and because valuable sites are occupied by buildings that are tumbledown and obsolete, and contribute little.

A CITY ILLUSTRATION.



The modern block of buildings marked "A," consisting of showrooms and warehouses, forming No. 7, Aldersgate Street, is rated at £2,677 per annum. The vacant site marked "B," forming Nos. 4 and 5, Aldersgate Street, is rated at nothing. Block "A" occupies a site of about 10,000 square feet and pays £870 in rates. The vacant site "B" extends to 12,700 square feet and pays nothing. It has been vacant for several years.

Besides being more extensive the vacant site is more valuable than the occupied site, because it is nearer the busy thoroughfares of Newgate Street and Cheapside; yet the firm which gives employment in erecting the building, which gives employment in carrying on business, is heavily rated, while the owner of the idle land who keeps men out of work escapes.

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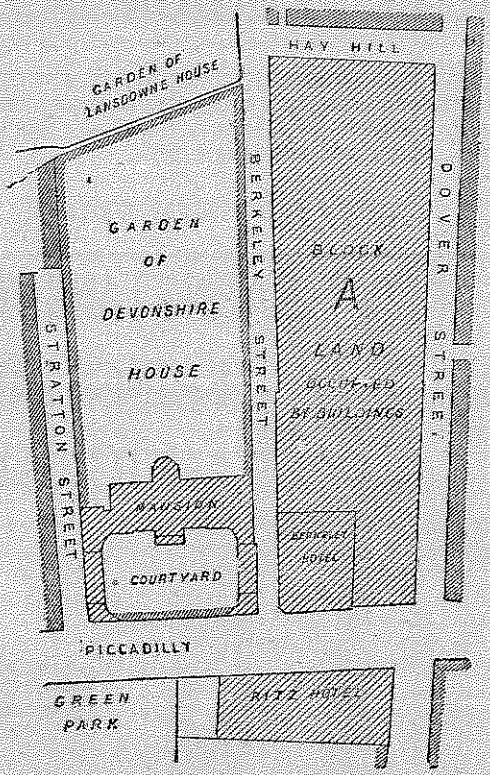
Why the Rates are Heavy in London.

A WEST END ILLUSTRATION.

HOW LANDOWNERS ARE RATED. HOW HOUSEOWNERS ARE RATED.

Devonshire House and Grounds, Area about 163,000 square feet.

Rateable Value: £4,168.



Block A, occupied by Berkeley Hotel and other buildings. Area about 153,000 square feet.

Rateable Value: £43,570.

The owners of houses and shops in Berkeley Street and Dover Street occupy some **10,000 square feet of land less** than the Duke of Devonshire, and **pay more than ten times as much in rates.** The Ritz Hotel occupies one-sixth of the space occupied by the Duke, and pays four times more in rates.

Lansdowne House and Grounds extend to about **93,000** square feet and are rated at **£2,500.** The Ritz Hotel occupies an area of **26,000** square feet and is rated at **£17,084.** The Bath Club, in Berkeley Street, covers **11,400** square feet and is rated at **£3,500.**

The Bath Club occupies one-eighth of the space occupied by Lansdowne House, and pays nearly one-half more in rates.

Houses are as necessary to life as food. Taxes on food make food dearer. Rates on houses make houses dearer. That is why so many people have to live in poor houses amid overcrowded surroundings.

A SUBURBAN ILLUSTRATION.

On January 10th, 1910, the Vale Farm Estate between Wembley and Sudbury was put up for sale. The estate, which extends to 91¾ acres, was declared quite ripe for development and almost blocking the way to the neighbourhood around. Bidding proceeded until a price of £32,000, or almost £350 per acre, was offered. The auctioneer withdrew the estate, saying that an offer of about £45,000 might be considered.

This land is rated at an annual value of 25s. per acre, and about 3s. 3d. per acre per annum is paid in rates. The bidding at the auction revealed the actual value of the land and showed how anomalous and unjust the existing rating system is. The price offered for the land, £32,000, is equivalent (at 4 per cent.) to an annual value of £13 19s. per acre. The price demanded for the land, £45,000, is equivalent to an annual value of £19 12s. per acre. The rates in Wembley are 6s. in the £, and if these rates were imposed on the price demanded by the landowners, there would be levied £5 17s. 6d. per acre instead of 3s. 3d. as at present, or £539 on the whole estate instead of £15.

The payment of £15 instead of £539 shows the monstrous privilege that bolsters up land monopoly. This is the reason why land is idle and builders are out of work. **No wonder we have a Housing Problem!**

The obligation to contribute £539 to the rates year by year on idle land would certainly incline the owner or owners to develop it. It would give employment to hundreds of men, add enormously to the prosperity of the whole district, raise wages, and reduce the heavy burden of rent and rates now borne by the industrial classes generally.

THE FUND FROM WHICH RATES SHOULD BE PAID.

In 1865 a plot of land on the foreshore of the Thames near the Temple was sold for £8,250. In 1870 the Victoria Embankment was built at the ratepayers' expense, and in 1871 the same plot of land was sold to the London School Board for £26,420, **an increase of £18,170 in six years.**

In 1876 the Metropolitan Board of Works paid £500,000 to the late Duke of Northumberland for Northumberland House and Grounds at Charing Cross. The land was required for the improvement of Trafalgar Square and for making a through road to the Embankment. The people of London paid a special tax on their coal to make the Embankment, but the Duke was not asked to leave one halfpenny of his half million.

In 1905 the London County Council had to pay £41,000 for 1,210 square feet of land to widen the thoroughfare at the corner of Piccadilly and St. James's Street. **This is at the rate of £1,475,980 per acre;** but towards the creation of these high values the landlords are not asked to pay anything.

Why the Rates are Heavy in London.

The site of 10, Lombard Street, London, was sold at the rate of £1,786,300 per acre on May 27th, 1897.

The site of 37, Cornhill, was sold at the rate of £2,363,360 per acre on July 25th, 1901.

The site of 1, Old Broad Street, was sold at the rate of £3,059,390 per acre on January 15th, 1903.

For land in the vicinity of the Bank of England bounded by Lombard Street, Birchin Lane, Finch Lane, and Throgmorton Street, prices were obtained varying from £70 to as much as £100 per square foot, the latter price being paid in order to square a site.

This is from the *Times* report of the Estate Market on February 26th, 1910.

Here are the owners of land in the centre of London who receive millions of pounds per acre when they sell their land, and yet out of these millions they do not contribute one halfpenny to the rates. On the other hand there are hundreds of thousands of working men who receive no income except for their labour, men who are often thrown out of work by the holding up of land, who pay high ground rents and high house rents, and who are in addition obliged to pay rates out of their scanty earnings.

HOW THIS FUND IS CREATED.

All the people of London share in the expense of maintaining and lighting the streets, of improving the water supply and the drainage schemes. They all pay for the upkeep of parks and open spaces, for the fire brigade and for police services. It was and is with their money and on their security that the splendid tramway system was inaugurated and is maintained. Their money and credit have been used to carry out Housing Schemes. They pay for the upkeep of workhouses, museums, and libraries. Every one of those services sends up the value of the land. According to a very reasonable and safe estimate the annual value of the land within the County of London is £24,000,000.

The revenue for London's public services ought to be drawn directly from this source by exempting buildings and all other improvements from local taxation, and rating all land on its value, whether it is used or unused, and irrespective altogether of the improvements upon it. This would cause all land to be put to its best use and would enormously benefit trade and industry.

WHAT THE PEOPLE PAY.

In 1908 the ratepayers of London spent £2,001,154 on the upkeep of streets; £214,305 on parks and open spaces; £404,557 on lighting the streets; £452,541 on main and local drainage.

Altogether the ratepayers of London have spent £71,681,785 between 1855 and 1908 in public services of the above nature, thereby helping to create and maintain land values for the benefit of the landowners.

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