

THE GOVERNMENT'S DE-RATING ACT

How It Protects and Endows the Land Monopoly

The Government's De-rating Scheme adds no less than £35,000,000 a year to taxes on transport and trade and industry. This new burden on the taxpayer is intended to pay for "relief from rates." So the money is handed to the local authorities and most of it is used to relieve farmers and manufacturers at the public expense. All rates are taken off agricultural land (in Scotland, all save a minute fraction) and the rates on factories and workshops are reduced by three-quarters. The petrol duty has been levied for the purpose and other price-raising tariffs and imposts are kept in force to provide the funds.

This is how the Government thinks to help industry and reduce unemployment.

Agricultural Land

The Landlord Party started the grants of rate-relief in the Agricultural Rates Act of 1896 by taking half the local rates off agricultural land. They increased the relief to three-quarters by the Act of 1923. The last step is this new De-rating Scheme giving complete relief, to begin at once *before the General Election*—a stroke of policy that may or may not attract the votes of farmers.

Memories are short. **It was the landowner who pocketed the grants** under the 1896 and 1923 Acts, just as he pocketed the benefit of the Corn Production Subsidy of 1918. He will pocket this new relief too. The more valuable his land, the more he will get.

The ultimate result of all such forms of doles and subsidies, whether to ratepayers as a whole or to selected ratepayers, is to raise the rent or price of land. This has been made clear by every Committee and Commission on "rating relief" and by every competent authority.

As the Lord Advocate said, speaking on the Scottish De-rating Bill in the House of Commons on 20th February, 1929: "I do not want to argue at length whether a benefit like this ultimately comes to the landlord or not. My humble view is that it certainly does."

This testimony of a Member of the Government in effect admits that the relief of rates on agricultural land, now equal to more than £12,000,000 a year, finds landowners enriched by a capital value of more than £240,000,000. It is in this way, *by inflating the monopoly price*, that farm land goes steadily out of use and fewer men than ever are engaged in agriculture.

Factories and Workshops

The Government's De-rating Scheme makes the Treasury (that is, the taxpayers) pay three-quarters of the local rates on land and buildings used for factories and workshops. Who will finally get the benefit?

Mr. Frank Hunt, Chief Valuer to the London County Council, in a public statement on 21st November, 1928, said: If a property was free from rates, the tendency would be for the freeholder to say to the tenant, "You can pay more rent." He had not the slightest doubt that the economic tendency of the relief of agriculture and the basic industries would be for this benefit in the end to pass to the landlord.

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"DE-RATING" AND THE LAND MONOPOLY—*contd.*

A Special Committee of the Wandsworth Borough Council, after inquiry into the De-rating Scheme, reported on 27th November, 1928, and said: "**Where property is held on lease or on some other tenancy the rent, if the premises are de-rated, will assuredly be increased at the first opportunity by the landlord.**"

Suppose the manufacturer owns his premises. What then? The answer is plain. He pockets the relief of rates. But why? Not because he is a producer, but because he owns the land on which the factory stands. [He benefits as a landowner, not as a manufacturer. The more valuable his land, the more money he gets from the taxpayer.

In short, it is **landlordism, not industry, that is supported.** Industry will be deprived of every penny of the money extorted from taxpayers to remove or reduce the local rates. The Government's De-rating Scheme, because it exempts the value of land from taxation, raises rents and stiffens the monopoly price of land wanted for farms and factories and other purposes. It is nothing else than a

Huge Dole to Landowners

Industry, agriculture, housing and employment need no support from public funds. They need to be freed from the grip of land monopoly.

It is a great public scandal that the land speculator is protected and endowed. Here are two examples, typical of thousands that could be quoted. **For housing purposes, Newcastle-on-Tyne had to pay £6,696 for 11 acres on which local rates previously charged were only 36s. 5d. For 3½ acres it had to pay £2,590, although the rates on this land had been only 10s. 10d. a year.** And when houses are built and occupied, the rates are heaped upon them. The Government's De-rating Scheme leaves that heavy burden on houses but exempts the land speculator entirely from local taxation.

The True De-rating Policy

The value of land belongs to the community and should supply the public revenue. Taxation should be placed on that value whether the land is used or not and taken off trade and industry. De-rate buildings and improvements—not only factories and farms, but also houses, shops, offices and structures of all kinds.

The only way to secure the benefit of rate-relief for the workers and prevent it going to the ground landlord is to levy rates and taxes on the value of land which is due to the presence and activities of the whole population.



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