

FOURTH EDITION

A BUSINESS MAN'S QUESTION

How Permanently to Improve Trade

By W. R. LESTER, M.A.

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Nothing is more to be regretted about the push, worry, and strain which dog the man of business than that he is left with little time to investigate the cause of the pressure. Though numbers would like to get to the bottom of the matter, time with most of them is wanting; for, perhaps not unnaturally, their leisure is occupied with other pursuits than that of a search for the causes of the tussle, competition and lack of demand about which they never tire of complaining. Such speculations they are usually content to leave to the Professor in his class room or the Socialist on his platform. This is a pity, for they have all the material and much of the ability to enable them to see through the thing for themselves, if only they would give it a little thought. Once find a clue to a question like this, and the rest follows easily.

The Universal Trouble

What is it that troubles the average manufacturer, merchant, agent, or shopkeeper? Is it not the keen competition, the difficulty in getting orders and cut prices? Is it not that the manager, salesman, or cashier who has lost a situation is at his wits' end to find another? That, in a word, there seems to be a constant shortage in demand for all kinds of skilled service? The thing is notorious and need not be laboured. It is borne witness to by the trade journals of every country, and, curiously enough, taken as a matter of course; it is the commonplace subject of comment in every office and on every exchange.

As a rule any remedy that is mooted never gets beyond the idea that here and there concerns might with advantage amalgamate, come to agreement, or form a ring with others and thus make things easier so far as those particular interests are concerned. To limit competition is the aim, and, though in some few cases it is done with success from the seller's point of view, it seems to be forgotten that action on these lines can never afford permanent and general relief. Time and again it has been tried, but still the cry goes up that, instead of diminishing, the pressure tends to increase. Nor do we believe that there is any confidence felt in this as the least approach to a general remedy, for it can only help the seller at the buyer's expense.

Absence of Sufficient Demand

We seldom hear it suggested in these circles that the better course would be to begin at the other end by increasing the demand for the goods produced. Still it seems obvious that increasing the demand is a surer way of bringing prosperity than limitation or regulation of supply. That this is the right end to begin from is the object of these pages to prove. We hold that absence of sufficient demand is the real cause of the fierce fight that goes on in industrial and trading circles, not that there are too many in trade. If this is so, then artificially to curtail output, or to maintain prices by agreement between competing firms, is a shiftless, and, in the long run, hopeless plan. The practical man should set to work to discover what is paralysing the demand for goods all round, and if anything is found doing so, his aim should be to remove the obstruction. We therefore invite traders and men of affairs generally to look about and see whether there is not something which is arresting the natural demand for their products or narrowing the field of their enterprise, and not to be surprised if they find it in a quarter they did not at all expect.

The Interdependence of Industries

We are, of course, each of us specially interested in our own particular trade and are apt to forget that its permanent success hangs on that of every other, so let us start with the largest of them all—the building trade. Clearly the prosperity of the building trade (i.e., the brisk demand for buildings of all kinds), means the prosperity of all the dependent trades; the furniture trade, painting, the carpet trade, plumbing, glazing, upholstering, metal making, mining, quarrying, transport and many others. So if by bad legislation we are doing anything to depress the building trade, we are at the same time helping to depress scores of others. It is, then, well worth while making careful enquiry on this score—which recalls an incident.

Ruined Houses and Vacant Sites in the Heart of London

Passing, the other day, from King's Cross to the Strand in company with a fireproof floor contractor, who had been dolefully echoing the general complaint of stagnation in the building trade, we were struck by the number of half-ruined houses lining a main thoroughfare and the many unoccupied building sites whose only function appeared to be to emblazon the merits of some patent medicine. The fireproof floor man was no searcher after first causes, but, pointing to one of the vacant sites with its surrounding hoardings, he exclaimed,

"Why on earth is that kind of thing allowed? Ruined buildings and vacant sites in the heart of London! No wonder our trade is bad! What is preventing people from putting up good buildings on that empty land or rebuilding those ruined houses with decent floors? Rents are high enough in all conscience!" The fireproof floor man was getting nearer the heart of things than perhaps he knew. Why indeed these ruined houses? Why these vacant sites? Are we as a community doing anything to discourage building and to keep land from being properly used?

Typical Examples

The conversation with the fireproof floorman recalls some of the many cases of rating anomalies which were made known during the London County Council Elections in 1910 and 1913. One of the campaign leaflets displayed a picture of a portion of Aldersgate Street, showing a vacant site of 12,700 square feet and a modern block of showrooms and warehouses occupying 10,000 square feet. The vacant site (Nos. 4 and 5 of the street) was advertised "To be sold or let on Building Lease," and although very valuable it paid not a penny in rates. The site which was built on (No. 7 of the street) was assessed at £2,677 per annum and paid £870 in rates.

Another leaflet published a plan of Stratton Street, Berkeley Street, Dover Street, and Piccadilly. The mansion of Devonshire House and its grounds, occupying 163,000 square feet, were assessed at £4,168. Immediately opposite, the Berkeley Hotel and other buildings, covering 153,000 square feet, were assessed at £43,570. The result of assessing according to the use to which land is put was to tax the well-used site more than ten times as much as the mansion and grounds of Devonshire House. The Devonshire property has since been sold and the price, according to the Press, was more than £750,000. That represents a true annual value of at least £37,000, and if our rating law took account of value, instead of the annual rent which a hypothetical tenant would give for a property in its existing condition, no such ridiculous unfair and privileged assessment as £4,168 would have been allowed to stand in the rate books.

The Present Rating System

Consider our system of rating and its meaning. We say in effect to the owners of these sites "Only let them remain idle and you go tax free. Put them into partial or inferior use and you will begin to make the acquaintance of the tax collector. But take all you can out of them, by putting

up the best form of building and making the place hum with industry, and that gentleman will exact from you his maximum toll." That is no fancy picture, but an accurate description of the working of our present rating system, and we wonder how it strikes the hard-headed man of business as a way of encouraging our foremost trade and all that depends on it. The fireproof floor man, at least, did not mince words when he realised the effect on his business of what we ventured to call the present "House-Tax." And we believe the case has only to be plainly put in this light to traders in general to ensure a revolt which would make short work of the stupid system. After the Chino-Japanese war, the late Lord Charles Beresford gave his impressions to an English audience. He said that though the Chinese fought as well as the Japanese and were as good men, what really handicapped them and led to their defeat was their hopelessly out of date civilisation. "Fancy!" he said, "a Chinaman has the good sense to build himself a comfortable home. Along comes the tax collector. He looks at the house and says, 'This home is very good, you must be a rich man, you will have to pay many taxes!' What can you expect from a people who treat their enterprising citizens like that?" The audience applauded Lord Charles' insight and duly pitied the poor Chinaman, but they did not realise that his words also accurately described our own British rating system.

An Obstruction to Trade

So here is clearly a case of first-rate importance where we are maintaining a system which must always obstruct trade, and, if carried far enough, will bring it to a standstill. In parts of Eastern Europe there is an objection to houses with thatched roofs. They cause fires, so the authorities clap a good tax on them, with the result that houses with thatched roofs are scarce. In England we are not supposed to object to houses, factories, or warehouses, yet we tax them just as these people tax thatched houses. Must not the results be the same—to deter people from building? No Professor of Political Economy is needed to answer that question.

Are there other Similar Obstructions?

Having settled so much, we may enquire whether the same kind of obstruction to trade is not going on in other directions as well; in fact, whether it is not the general rule.

Here we may at once avow that our object in addressing the trading community is to make them realise beyond any possibility of doubt that we have at present in force systems of taxation and land tenure which obstruct trade in general,

prevent its natural expansion and tend to make work scarce all round, whether for manufacturer, merchant, shopkeeper or workman, and that this artificial scarcity is responsible for the unemployment, competition, and bad trade of which they complain.

Our Dependence on Land

All industries are dependent on access to land. Some directly, others indirectly.

Suppose we call those which must have direct access to the earth, the Primary Trades; and those which are only indirectly dependent on the use of land, the Secondary Trades. Types of "primary" trades are agriculture, mining, quarrying, forestry. Types of the "secondary" trades are building, weaving, clothing, shopkeeping, baking. The Primary industries depend for their existence on direct access to the earth. The Secondary Industries deal with the products of the Primary and work them up into finished articles. Since access to land is the *sine qua non* of the Primary Industries, it is clear that anything which makes such access difficult by imposing burdensome terms will hurt them and restrict their productiveness. Further, that where land is denied them altogether, they cease to be.

Effects of our Present System of Land Tenure

"A very obvious conclusion," you say. Yes, but see where it leads us. Our present system of land tenure *does* oppose obstacles to the use of land. In every growing town or district it is common to demand very burdensome terms for the use of land. In such places, when an owner is asked his price, he does not name what the land is worth to-day, but what, in view of the growth of the place, he reckons it may be worth at some future time. Thus some industries are kept at arm's length, while others, which do jump the barrier and are eventually established, have to pay more for the land they use than it is worth, and to that extent their operations are hampered. But much as this speculative rent restricts industry, it is not the worst that happens. It is notorious that in rural districts very large tracts of valuable land capable of use for agriculture, mining, quarrying, or forestry, are now withheld from use at the mere caprice of individuals. In rapidly-growing industrial districts the same withholding is also of frequent occurrence, though there it is usually done for speculative reasons. But whatever the motive, in all such cases of complete locking up it is obvious that production is brought to a dead stop, employment barred, and would-be workers, who would otherwise be earning a

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wage and keeping things moving by purchasing the productions of other trades, are driven to idleness, and in their competition for employment keep down wages in general. Thus arise unemployment, low wages, decreased production, and bad trade, and the purchasing powers, as well as the productive power, of the whole people artificially lessened.

Production Checked at its Source. Stagnant Markets, Low Wages, Unemployment

Stagnant markets in a word. For what kind of customer to the manufacturer or tradesman is the unemployed or underpaid worker? Low wages and unemployment for workers always spell poor trade for manufacturers and merchants. In illustration of production arrested at its source we could point to a certain desirable coalfield (and those in the trade know such cases are not uncommon) which for years was unworked. Not because of shortage of either capital or labour, but entirely because of difficulties over the royalties demanded. The expenditure of the capital would have helped many other trades, and more important still, there would have been permanent places for miners who, in their turn, would have been good customers too. As it was, "nothing was doing," and, instead of helping trade all round, unemployed miners were depressing wages in their search for work.

Great tracts of English country, naturally fertile and valuable, to-day lie practically derelict as parks or sporting estates. The earning of a living is virtually forbidden there. On a large estate in the Midland Counties where the soil is rich the very high rent of £6 per acre was recently offered by market gardeners for a part of it which is now but rough plantation—and declined. Had the use of the land been obtained, glass forcing houses would have been put up and many trades employed. These are only samples of the way in which the Primary Industries are hindered and strangled; and they are of every-day occurrence throughout the length and breadth of this country. Taken in the aggregate they mean lessened production and fewer buyers all round. They check production at its very source.

Other Effects

Turning now to the Secondary Industries, which are only in minor degree dependent on the use of land, but which manufacture into finished articles the raw materials supplied by the Primary Industries, it is clear that they suffer whenever the output of the latter is restricted or its price artificially raised.

These Industries are dependent upon the Primary Industries, because the latter "feed" them. Bakers are affected by the dearth of wheat, and machine builders by the dearth of iron or coal. In measure as the Primary Industries are checked by difficulty in securing the use of land, so are the Secondary Industries adversely affected. Those who are stopped from earning their living in farm, mine, quarry or brickfield are useless as customers to clothiers, upholsterers, weavers, or ironmongers. Slackness in one industry is often due to cessation of demand on the part of others for what they produce. Thus though the Secondary Trades are not so directly affected by the land question, they often suffer from dull times because men in the Primary Trades are obstructed in getting access to the source of all production—the land. The artificially high prices asked for land, or the difficulty in getting it on any terms at all, blight not only such industries as farming, building, and mining, but also indirectly cause slackness in tailoring, watchmaking, printing, and coach-building. If out-of-work agriculturists, miners, and others, who are at present kept off the land were not so hindered, they would not only employ themselves but many other trades as well.

Law-made Crimes

Not long ago fifty poverty-stricken Highland families living in a "congested district," migrated to an island in the Western Hebrides, then uncultivated, and started to earn their living by growing crops and building cottages. For that "crime" we treated them as felons and locked them up in an Edinburgh jail. What now became of their buying power when, by process of "law" backed by all the forces of the Crown, we forbade them to make a living? Such is the interdependence of men under modern conditions that this stoppage of production in a remote island means loss of trade to other people from end to end of the country, and a lurid light is thrown on our land laws, and how they of necessity mean restricted production, narrowed fields of industry, limited markets, scarcity of work, and all those symptoms of dull trade which in business circles are so impotently bemoaned.

Monopoly Encouraged ; Enterprise Fined and Penalised

Now turn again to our rating system and see whether it does not aggravate matters. We have already shown that, bluntly put, it is a fine on building, exacting payment from people in measure as they show enterprise in building houses, factories or farms. But this obstruction is not

confined to buildings. It adversely affects enterprise of every kind. No matter what the venture may be, the present rates and taxes obstruct it. They rise in proportion as good use is made of land and touch zero when no use is made of it at all, however valuable the land itself may be. What does a merchant, a warehouse-owner, a millowner, or a shopkeeper mean when he bewails the pinch of the rates? He means (whether he knows it or not) the pinch of the rates on buildings and improvements. The rates on his site do not hurt him much; they mostly come, and with a better system could all come, from his ground landlord's pocket. It is the rate on the buildings and improvements that comes inevitably from his own pocket; and for every extension of his mill, every room added to his offices, every plate-glass window added to his shop, he has directly or indirectly to pay rates. Suppose several men hold several equally valuable sites. The man who makes the best use of his has to pay the highest rates. That is the essence of our present system. Could any better plan for fining trade and enterprise be possibly devised, be the mulcted party manufacturer, railway company, farmer, dock company, or coal mine? We tax factories and the machinery in them, railway stations and warehouses, shops, mines, and quarries, and of course the effect is precisely the same as with the old window or soap taxes—it checks the production of all these things, makes work scarce, and limits buyers. Rates commonly amount to 12s. in the £. of rental. This is equivalent to a 60 per cent duty on buildings and improvements. It has the same effect as if a direct fine of 60 per cent were imposed on businesses. Thus we arrest trade, restrict markets and check demand by a stupid system of taxation and then complain of the dull trade and over-competition which, by our own action, we bring on ourselves.

Taxing Land according to its Use. A Tax on Industry and Business

Beside doing this directly our system of taxation also does it indirectly, because it encourages the inferior use of land or even the withholding of it from any use at all. It is a tax on the use of land and therefore *discourages its use*. If a man leaves his property vacant, however valuable it may be, he is exempt from rates. If he leaves it in a miserable and neglected state, he is let off lightly. But for every bit of work done and every penny spent on the property, down comes the rate collector on him with increased demands. The man who pulls down an old factory and erects on the same site a new one of double

the capacity, fitted with up-to-date machinery, and employing twice the number of hands, will be certain to have his assessment trebled. He has improved industry, increased commerce, and benefited labour, yet he is the man whom our present system selects for its heaviest penalties. In his case, not only the value of the new building, but the very machinery—the scientific tools of his industry—is all taken into account in arriving at the value of his premises for rating purposes. Our present rates are simple business taxes, and therefore arrest or narrow the field of industry.

A landed proprietor on the outskirts of a large town is approached by a building society with a proposal to build. The land is now being let at £2 per acre for grazing cattle, but he asks £50 per annum for building houses. When the building society suggests that this is too high, the landed proprietor replies "Take it or leave it. If I can't get £50 now, I very soon shall. The town is spreading this way and so are the Corporation Tramways—I shall wait." And wait he does. And so do the houses. What enables him to hold off using the land? It is simply that though it is worth, say about £40 per annum, and though he could get that sum to-day, he is only rated on the £2 he gets from the grazier. In other words, he is rated on the use to which he puts it. Result—idle or partially idle land; and we have seen what *that* means to trade in general when repeated on any considerable scale.

Taxing Land according to its Value. A Tax on Land Monopoly

Suppose we were to make a change and tax land on its *value* instead of on its *use*. Quite clearly it would become bad business to hold land at £2 while rates were being paid on £40 per annum. This simple change would ensure the best being taken out of the land, which in this case means the building of the needed dwellings and employment in many trades. There need be no fear that such a tax would be added by the ground landlord to his rent, for as it would fall on all land in proportion to its worth, whether allowed to be used or not, the effect of such a system of rating would be that more land would be available and rents would fall, instead of rise.

As further showing how our present system of rating improvements limits development and how the reverse would be the case under a reformed system, where improvements were excluded from taxation, and the value of the bare land alone assessed, take a case which has come within the author's own experience. In the small village of Horsted Keynes,

Sussex, where there is (as elsewhere) a severe house famine, three labourers' cottages were built on half-an-acre of ground. There was no special advantage in the site that was built upon. It is surrounded by hundreds of acres quite as suitable for cottages, in a stretch of country largely used for sport. These acres are assessed at 2s. 6d. per acre for local taxation and pay only 7½d. per acre in rates.

Immediately the cottages were occupied they were assessed for local taxation and the rates paid on each amounted to £1 18s. 6d. annually. The rates, in fact, were equivalent to £11 11s. per acre, while the unused and equally valuable land on the other side of the garden fence continued to pay only 7½d. per acre. In other words, the result of satisfying a crying need, of doing a useful and necessary thing, was to invite a burden of taxation *three hundred and seventy* times as much as that imposed on those who devoted their land to idle pleasure.

Anyone else who chose to build cottages (or to occupy them when built) would be dealt with in the same fashion. If he tried to buy for that purpose any of the land now assessed at 2s. 6d. per acre, he would be fortunate if he got it at less than £100 per acre, and when he built he would know or discover that the heavy tariff of the rates would be imposed on his enterprise. He would learn from experience why houses are scarce and dear and would have little encouragement to repeat the experiment.

Now look at the reformed system, which we advocate in the interests of trade and industry. *It proposes to exclude improvements and make land value, alone the basis of assessment.* All the land would be taxed and rated at its true value, whether used or not. In these circumstances it would be impossible for anyone to enjoy the privilege of paying rates on only 2s. 6d. per acre for land whose market value was £100 or more. He would pay rates on the true value, whatever it was, and the pressure of taxation would destroy those monopoly prices which under the present system at once arise when unused land is wanted for building or for better cultivation. The obstacle to development would be removed by land coming freely into use and there would be the further encouragement to improve because no taxes or rates would fall on houses, cottages or other enterprise.

Their Relative Merits. The one System Strangles Trade ; the other would Stimulate it

Are we to have a system of taxation which checks trade or one which helps it? That is the question which the trading

public has to answer, and one within its power to settle *if it likes*. The very worst service we can render to industry is to tax people in measure as they make use of the opportunities they enjoy. This is to discourage good use. To tax them in proportion to the *value* of the opportunities they enjoy, would have precisely the contrary effect—it would encourage the best use. In a word, one system strangles trade; the other would stimulate it.

The present system is a fine on the use of land. To give production and commerce a chance, the process must be reversed. We must make it bad business for the owner to refuse access to his land or minerals, and correspondingly help the owner who admits it. This change will be achieved if rates are based on the market value of land of all kinds, *whether used or unused*, with no extra charge whatever on the man who develops his property.

A Leaf from the Landlord's Book

There is no more acute man of business than the landlord himself and his agent, and we might do worse than take a leaf from their book when we are settling these questions of land tenure and taxation in the national interest. When a landlord leases a coal or iron field a clause is commonly inserted in the lease to the effect that a "dead rent" shall be payable to him. In other words, that over and above a royalty on the actual output, a fixed minimum rent must be paid whether coal is being raised or not. The motive is plain and quite laudable. It is to make the tenant exert himself; to ensure that he will exercise every diligence in working the mineral field. And most effective it is as a means to this end. Let us deal with the landlord on the same sensible plan. Let us make him pay rent on the value of his opportunity whether he uses it or not, just as he does his tenant, and we shall no longer see lying idle or imperfectly used hundreds of thousands of acres of valuable mineral, building, and farm lands while vast crowds of idle men disgrace our country. That is what we mean by the Taxation of Land Values.

The Struggle for Real Free Trade

But the proposed reform is more potent for good even than yet shown. In the fight against trade restriction, and for *real* Free Trade, it is a double-edged weapon. Were public revenue to be raised from Land Values, not only would all land be used to its best purposes and therefore available on more reasonable terms than at present, but we could dispense with taxes and rates now imposed on production

and commerce. We could repeal every tax at present burdening houses, factories, machinery, farm buildings, tea, sugar, and tobacco. Once we stop making trade difficult by heaping taxes on it, the alternative will be clear—get revenue by taxing land values and so *help commerce by opening up opportunities to industries at present closed by stupid taxation and a vicious system of land tenure.* This is the way to secure any number of openings to every member of the community. Make the landlord pay rent to the State for his land and the field for enterprise will indefinitely expand. This is the way to remove the two chief existing checks on industry, which are, the difficulties now put in the way of getting the use of land and the taxes that are heaped on it the moment it is brought into use. This home-made hindrance to and penalty on enterprise hampers our trade more than all the hostile tariffs of every foreign country combined. We ourselves, not the foreigner, are to blame for our own trade depression.

The Cause of the Trouble. And the Remedy.

It cannot be too emphatically asserted that scarcity of employment and limited demand for goods are the direct results of our own unwise legislation, and that the remedy is to abolish the system which causes the trouble. Relieved of the burdens now heaped on it by a bad system of taxation, and every natural resource thrown open to industry, how would not trade bound forward? There would be nothing to stop the upward move. The demand for goods and the outlet for business is now so small that even in the best of times many good men have difficulty in making ends meet. We can widen the field by removing the system which narrows it. Remove our self-imposed restraints and there will be room for all.

Under the Land Values system of taxation an immense impetus would be given to production and commerce by repeal of the taxes which now weigh upon them. Tax dogs—the result is fewer dogs. Tax fences, and people will do without them as far as possible. Tax machinery, and you will have less of it. That is what our present system does. An adequate tax on land values would, on the contrary, enable us to do away with such foolish taxes and therefore encourage production, while, at the same time, *more* land would come into use at *lower* prices.

This widening of industry's field would mean a greater demand for labour and, where the demand for labour is good there is no unemployment and wages are high. To create a good demand for labour is the only way by which the wages

of the working classes can be permanently advanced, and good wages in their turn react favourably on trade; for the increased purchasing power of the masses means "good times" for everyone.

Land Values ; People's Values ; Government Values. Their Sufficiency

You ask if land values are great enough to take the place of existing "business taxes." The answer is that (apart from special war taxes) they are, for wherever a valuation of land has been made apart from structures or other improvements, it has been found to be ample. Separate land valuations have been made in New York, Canada, South Africa, New Zealand, and Australia. Everywhere it is found, in the aggregate, to exceed the amount needed for normal public services.

In New York the gross annual value of land, as computed from the figures given in the 1918 report of the Department of Taxes and Assessments, is not less than £77,000,000, whereas the total annual revenue collected for municipal purposes was £41,900,000.

In New Zealand, according to the Year Book of 1918, the total Dominion and local taxation collected in 1917 was £13,270,000, including roughly £2,000,000 for the service of unproductive public debt. A large portion of New Zealand taxation already falls on land values and to that extent it diminishes the selling price of land. Yet the total selling value of land (apart from improvements) in the same year was £251,000,000—equivalent to £12,550,000 annual value. Accordingly, if the rates and taxes which are taken now from land values are added to the latter sum in order to arrive at gross land value, it is apparent that the land value of the country is more than sufficient for the payment and performance of public services.

Land Valuation and the 1910 Finance Act

Opponents of the reform sometimes contend that a valuation of land, as distinct from improvements, cannot be made. The answer is that it is regularly made to-day in the above countries; and it is being carried out and is almost completed in this country under the provisions of the Finance (1909-10) Act 1910. A few necessary amendments must, however, be made before this Valuation can be used for the taxation and rating of land values. Its record of "full site value" gives us the basis we need, after it has been brought up-to-date and after certain agricultural improvements (not excluded under the original Act) have been deducted. These are

matters for Parliament to deal with, and the minor faults in the present Valuation can be easily and quickly remedied.

The Land-Value Duties

The mention of the Finance Act Valuation makes a word necessary on the Land Value Duties imposed at the same time—the undeveloped land duty of $\frac{1}{2}$ d. in the £, the Increment Value Duty of 20 per cent on increase of land value on certain occasions, and the reversion duty of 10 per cent on the value of reversions. These duties or taxes must not be confused with the proposals made in this pamphlet. They are neither an instalment of nor a substitute for the principles we advocate—that all land should be taxed and rated on its true value, and that the taxation of buildings and improvements should be remitted. The Land-Value Duties were a timid attempt to tax some owners of land under arbitrary rules. They were strictly limited in their scope and were so hedged around with exemptions, complications, and difficulties as to become quite unworkable. Instead of producing revenue they have caused only mischief and irritation to all parties concerned.

Reform by Steps

repealed The necessary amendments in the Finance Act Land Valuation could be made without much more delay than a few months. When we have this valuation completed and perfected, we shall be in a position to determine how quickly the present business taxes which obstruct trade and production can be ~~obtained~~. Following the time-honoured British plan of "reform by steps," we may probably begin by the repeal of some portion only, and to the amount of such repeal, substitute a tax on land values. Such procedure would entail the minimum of shock to existing arrangements, but once started on that straight road the end is not difficult to see. It will lead us direct to the freeing of industry from the burdens with which we now so foolishly load it, and to the opening up of our natural resources to their best uses. We are threatened with after-war burdens on a scale which will crush the nation unless production is vastly increased. How can this be done save by freeing production at its very source? Accomplish that and more will be done to avoid disaster than by any other step it is within our power to take.