

**Dhananjayrao Gadgil Library**



**GIPE-PUNE-002165**

**THE BUDGET THE LAND  
AND THE PEOPLE**

# THE BUDGET THE LAND AND THE PEOPLE

THE NEW LAND VALUE TAXES  
EXPLAINED AND ILLUSTRATED

WITH A PREFACE BY THE RIGHT HON.  
D. LLOYD GEORGE, M.P.  
CHANCELLOR OF THE EXCHEQUER

ISSUED BY  
THE BUDGET LEAGUE

SECOND EDITION

METHUEN & CO.  
36 ESSEX STREET W.C.  
LONDON

X723.3.N  
D9

*First Published* . . . August 17th, 1909  
*Second Edition* : . . September 1909

2165

## PREFACE

*THE Land Value Taxes of the Budget of 1909 mark a new departure in the fiscal policy of our country. After a few years' experience they will, I hope, be as familiar and accepted a part of the apparatus of the tax-gatherer as the Death Duties, once so strange and so strenuously opposed, are to-day.*

*What are these new land value taxes? On what grounds are they justified? Who will pay them? How will they be assessed? What exemptions will be allowed? What results are expected from them? These questions are on men's lips. It is important that correct answers should be within reach of all.*

*This little book is a simple exposition of the Land Value Clauses of the Finance Bill, with a large number of concrete illustrations, vouched for by chapter and verse. I cannot, of course, accept responsibility for the statements or figures herein contained, but I have looked through these pages with much interest, and they appear to me to present a concise and well-founded account of the subject. Every citizen, in my opinion, should know as much as is here set forth. Few readers, I think, will remain unmoved by the weight of evidence adduced, while political speakers can hardly fail to find it of great service.*

*One word more. These taxes are new to us, but they form part of the established practice of other communities. There is, moreover, behind them, as is here indicated, a great weight of public opinion, especially of those intimately concerned with the grave problems of municipal administration.*

*For these reasons I think the Budget League has done well to issue this handbook to the great question of the day, and I willingly commend it to the consideration of all who take a serious interest in our social and economic development.*

D. LLOYD GEORGE

*August 12, 1909*

# CONTENTS

CHAP.		
	<b>INTRODUCTION: THE TAXATION OF LAND VALUES A WELL-ESTABLISHED PRINCIPLE</b>	<b>1</b>
	<b>I. THE INCREMENT VALUE DUTY</b>	<b>3</b>
	I. Instances of Land Value Increment	6
	II. Increment from Minerals	12
	III. Special Reasons for taxing Increment Value	14
	<b>II. THE REVERSION DUTY</b>	<b>19</b>
	I. The Nature of Reversions	19
	II. Recent Examples of Value of Reversions	22
	III. Evidence of Municipal Representatives	28
	<b>III. THE UNDEVELOPED LAND DUTY</b>	<b>31</b>
	I. The Justification of the Tax	32
	II. The Principle approved by Conservatives	33
	III. How the Tax will free Land and benefit Industry	36
	IV. Examples of Valuable Undeveloped Land	36
	V. The Justice of the Tax	45
	<b>IV. THE MINERAL RIGHTS DUTY</b>	<b>48</b>
	<b>V. THE METHOD AND NECESSITY OF LAND VALUATION</b>	<b>52</b>
	I. How Land will be Valued	53
	II. Necessity of Valuation for Housing and Town Planning	55
	III. Municipal Housing in London	57
	IV. Vacant Land in London Suburbs	59
	V. Vacant Land in Edinburgh	60
	VI. Vacant Land in other Cities	61

## CONTENTS

CHAP.		PAGE
V.	THE METHOD AND NECESSITY OF LAND VALUATION— <i>continued</i>	
	VII. The nequality of Present Assessment	64
	VIII. Burdens on Industry and Production	64
	IX. Instances of Extortionate Prices	67
	X. Prohibitive Prices	72
VI.	AGRICULTURE AND BUSINESS	77
VII.	THE NEW TAXES AND SOCIAL REFORM	85
	CONCLUSION: THE SOCIAL AND ECONOMIC IMPORTANCE OF THE NEW TAXES AND VALUATION	92