

LAND & LIBERTY

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THE KING'S SPEECH

PARLIAMENT ASSEMBLED for the new Session on November 12. The programme of legislation includes the continuance of military conscription—ominous and deplorable decision—landlord compensation and “betterment” proposals in relation to town and country planning, nationalisation of the railways, long-distance road haulage and electricity supply services, guaranteed prices and assured markets for farmers, State trading in raw cotton, certain industries to be organised on the lines recommended by the Board of Trade’s “working parties,” and Bills dealing with the Exchange Control, Company Law, national defence, Scottish affairs and minor matters. “If time permits,” the King’s Speech says, “other measures will be laid before you.”

It will be observed that no mention is made of the Taxation or the Rating of Land Values. We have been led to understand by the Chancellor of the Exchequer that no proposal for a national tax on land values can be entertained because the Inland Revenue has not the necessary staff for making a valuation of the whole country, and in any case the Department officials are hard pressed on other work “of which they have made a pretty good job.” As to the goodness of the job they have been busy with, screwing taxation out of industry and imposing most grievous burdens on the wages of labour, many will differ with the Chancellor. The fact is that the Government, although assisted by an officialdom and a bureaucracy which has grown to huge dimensions, has not concerned itself about such an elemental and vital function as valuation whereby to ascertain what is the true value of the land and to separate it from the value attaching to buildings and improvements. Accordingly, there cannot be next year (and the question is whether anything is being done to recruit the necessary staff for later action) any transference of taxation from off the work of man’s hands by placing it upon the value of land and so obtaining revenue from a fund which is rightfully the property of the community. The Treasury has not the machinery to do that, the Chancellor says, but it can move mountains of obstacles and fill portfolios to the bursting point, the while it prys into all private affairs and conducts a Robin Hood search of every pocket.

Giving one of the Fabian Jubilee Lectures, in London, on November 13, the Chancellor himself admitted that the tax on wages has the effect of discouraging production and has spoken of the advantages of indirect taxation because its burden is not so much felt at the time of imposition and he thus endeavoured to blanket the old-fashioned distinction that used to be made between direct and indirect forms of taxation. That is an exceedingly unhappy signal to come from the chief of the tax-gatherers, pointing to the maintenance of indirect taxation or its increase to ensure the income of the State. Methods direct and indirect of mulcting the wages of labour and the earnings of industry are equally condemned

and the choice is not between the one and the other. The just canon of taxation denies to the State the right to take from the individual by any means the fruits of his labour and obliges it to collect for public revenue the values that are the result of the presence and activities of the people as a whole. The moral law of property demands no less, but to-day the greatest sinner against it is the coercive State.

Fortunately the Chancellor has spoken in a different vein with regard to local taxation and has raised hopes that local authorities are to be empowered to levy a rate on land values. This small but useful beginning, putting the principle into the arena of public discussion, was indicated in his speeches in the House of Commons on May 16 and at Bournemouth on June 14 last. The prospect of it, breaking away from the existing system with all its anomalies and injustices, has been welcome to the numerous municipalities which have time and again pressed upon Parliament the urgency of this rating reform. Their resolutions urge the speedy enactment of the necessary legislation. It remains now to see what shape it will take when it is introduced. The Chancellor linked it closely with the forthcoming revision of the financial relations between the Treasury and the local authorities, but we must say we fail to see what bearing the increase of these subventions or their redistribution among the local authorities can possibly have upon the practicability of rating land values instead of improvements. Manifestly, whatever may be done about revising the Treasury subventions in aid of rates, a separate and distinct Bill to give effect to the new rating powers of the local authorities will be required, with provisions relating to valuation, collection of rates and all the rest. Nevertheless it may be the intention of the Chancellor to embody all this in his Budget proposals, which may account for the omission of any reference to local taxation adjustments and reforms in the King’s Speech, in which financial measures are not usually intimated. It is difficult however to be content with that explanation. When the Labour Party was in office in 1930, the then King’s Speech for the new session forecast Budget proposals in ringing terms: “My Ministers propose to introduce legislation to secure for the community its share in the site value of the land” and we had Mr. Snowden’s Finance Act of 1931.

As we have said, there must be a Bill for the Rating of Land Values. No great effort is needed for its preparation since the Government already have the precedent of the excellent Site Value Rating Bill which the London County Council presented in Parliament in 1938. The Bill applied to London alone but with comparatively few alterations it can be made applicable throughout the country. That measure had the full backing of the Parliamentary Labour Party which now has the opportunity of carrying its principles and policy into operation.