

PARLIAMENTARY DEBATES

BUDGET PROPOSALS

Extract from House of Commons Debate, 1st May

Mr ANDREW MACLAREN (Labour) : It is the work, by hand and brain, of the producer of wealth that pays all the taxes. The people who are called wealthy people and who, according to current conception, are the great contributors to taxation, are, owing to some malformation or ill-adjustment in our social structure, able to have vast incomes because they are able to extract fortunes from the common pool of wealth. The real truth is that it is the working class, by hand and brain, the organisers of labour as well as the worker, who are the people who produce the wealth and, therefore, pay all the taxes. The man who produces nothing really pays nothing. If he is in a position to pay something of taxation and he is not a producer, it can only mean that he is in a favoured position, where he is able to extract a vast fortune without doing any service. You can levy taxation only upon the value of things produced by human labour, be they commodities or income, or you can levy your taxes upon the value of land. These are the only two bases upon which taxation can fall. When are our Chancellors of the Exchequer going to face the central fact that if you put taxes upon the value of things produced by human labour you make them dearer by the amount of tax you levy upon them, you hinder production, and as a net result you give rise to unemployment? That is the result of the canons of taxation which prevail in the minds of Chancellors of the Exchequers here and in other countries.

The landowner as a rent receiver draws not in proportion to any honest effort he renders to society, but in proportion to the pressure and necessity of the community in desiring to use the land which he says is his. Here is a value which if taxed would not hinder production. Here is a value created not by the person who receives it but by the community. Here is a providential fund that can be taxed, instead of taxing tea, sugar, incomes and the fruits and results of industry. It is looked upon as a sort of crank idea.

Conform to natural law in your canons of taxation, or outrage natural law by continuing the way you are going, and there is only one result, which has been self-evident in some of the speeches delivered from the other side to-day. If you go on piling up these mountains of taxes upon industry and enterprise, sooner or later the whole structure is bound to collapse. Two things are running hand in hand in national taxation—the constant increase in national taxes and at the same time over 1,000,000 unemployed. It stands to reason that if we lay these heavy burdens upon industry we are bound, sooner or later, to cripple industry and discourage enterprise, and that will express itself in increased unemployment.

What is this enormous expenditure on armaments for? Why are we asking men to join the Navy, Army and Air Force? This demand for the conscription of the youth of the country into the Army and Navy is to defend the land of Great Britain—for that and nothing else. Who has got it? Is it the men you are going to conscript? Does the land, in fact, belong to the common people whose bodies are to be conscripted to defend it? That is the question I want to put to hon. Members opposite who are enthusiastic about conscription, and who think that by conscripting profits they are making a great advance towards the demand put from this side of the House. If the Government really believe that we are facing war, or that it is inevitable, their first duty should be to proclaim that the land is the common property of the people and that its resources should be subject to State requirements, before they call upon the common citizens to defend it. It is mean and contemptible to go into the slum areas of the cities of this country and into the impoverished areas in the countryside and conscript young men, who have no stake in the country, to defend the land and then still hold the land as the private property of a few. During the last War most of us remember the posters on the walls appealing to the young men to defend their country: "Your King and country need you." The young men were told that it was their country, but when they came back they had to pay £5,000 and £10,000 an acre if they wanted land to use. It is their country when there is a war on, but it is the landowners' country when they come back. One remembers pictures of the Highlands with the words: "Is not this worth fighting for?" They did not show the slums of Birmingham and Leeds and the Potteries.

The Government of that day, like the Government of the present day, knew that even in the poorest of men his attachment to his country is instinctive, despite the fact that he has not as much of it as would fill a flower-pot.

How can we be really honest about conscription? Not by levying this taxation upon industry or this £200,000,000 in rates on the houses of the people, making housing impossible; not in one breath encouraging healthy children and then penalising any man or woman who has an increased family by more rates if they have a larger house. You can conscript in the real, just and scientific sense by putting this taxation and these local rates on the value of the land of the country. In that sense you are appropriating

the land of the country on behalf of the people, treating it as the common heritage of the people, removing taxes from their food and necessities of life, easing the rates on their houses and giving back to the people the value of the peoples' land.

At a moment when you are conscripting young men to defend this land, speculations in the value of land are an utter disgrace. Cases of this have happened quite recently. We wanted camps in order to take the children away from the congested areas. What happened? Even *The Times* called attention to it. As a result of the Government going into the country districts looking for sites for evacuation purposes the value of land rose enormously, and it became a question with some local authorities whether this speculation would not stop the whole development of evacuation camps. Now the scheme of evacuating the population from the cities is going to have the same effect, but nothing must be said about it. Let us waste our time in talking about pettifoggling little taxes, but do not mention the taxation of the value of land.

It has been argued that Death Duties in some way or another are beneficial to the community, and that they should be made heavier than they are. If I were to take from a millionaire by Death Duties all that he had left, if I were to sweep his estate into the coffers of the Treasury, I should not have effected in the slightest degree a proper distribution of the wealth, I should not have removed the causes which make one man die a pauper in a work-house and another man die a millionaire. Many people labour under the delusion that if you put taxation on certain forms of estate you are in that way bringing about in a rough-and-ready way the proper distribution of wealth. You do nothing of the kind. I have no objection to taking something which is left by someone at death. Under the unbalanced state of present society there is no reason why it should not be taken for some time, but it must not be believed that Death Duties are a scientific form of taxation or that there is anything beneficial in them. They are predatory in their instincts and in their object.

The causes of poverty are very clear and simple, and the solution of the problem of poverty is simple. Therefore, if the speech I have delivered has the characteristic of simplicity, I commend it to the Committee on that ground alone.

Mr E. DUNN (Labour) : I must confess that I subscribe very largely to the views which the hon. Member for Burslem (Mr MacLaren) has put before the Committee to-night. I do not think he will have to take 1,000 years, as he suggested, to get converts. I rather take the view that he and the party are already making converts in connection with this matter, because some of us who have had to do with local government in this country are appalled at what is taking place in regard to the price of sites that local authorities and other people require for building throughout the country.

Rt. Hon. A. V. ALEXANDER (Labour) : What proposals are there other than the Chancellor of the Exchequer's proposals? I am always surprised when I remember the past history of the Chancellor of the Exchequer, especially in view of the statements made by my hon. Friend the Member for Ipswich (Mr Stokes) and my hon. Friend the Member for Burslem (Mr MacLaren), when I think of the great forensic power with which the right hon. Gentleman used to advocate the economics of the increment value of land, created by the community, I am the more surprised that he does not turn to that alternative of taxation. If one examines the way in which national expenditure has increased, one finds that a very considerable part has arisen in the provision of new barracks, new aerodromes, new stations of one kind or another. The Chancellor of the Exchequer is not without information on this subject, because case after case has been put to him at Question Time bringing to his notice the enormous increase in the charge to the Government in the purchase of land, in spite of their compulsory purchase powers, as compared with the annual value of the land until the Government actually wanted it for Government purposes. In these circumstances it seems to me that the Chancellor of the Exchequer might have devoted some attention to this question of an alternative source of taxation.

FINANCE BILL SECOND READING

House of Commons, 25th May

An Amendment was on the Order Paper reading as follows:—

To leave out all after "That" in order to insert: "this House declines to proceed to the Second Reading of a Bill which makes no provision for the recovery of taxation of those land values which are the creation of the community and are left at present in private hands for private enjoyment."

The Amendment was tabled by D. R. Grenfell, G. Ridley, S. S. Silverman, J. Wedgwood, A. MacLaren, J. Buchanan, *H. L. Nathan, C. C. Poole, *D. N. Pritt, *M. P. Price, J. Parker, R. R. Stokes, F. B. Simpson, T. Smith, R. Sorensen, W. Stewart, S.

Viant, C. Wilson, *E. Williams, R. Taylor, D. M. Adams, J. Barr, *F. J. Bellenger, E. Dunn, *R. Fletcher, J. Griffiths, Mrs Hardie A. Henderson, W. Leonard, R. C. Morrison, V. la T. McEntee, H. G. McGhee.

All except the members starred(*) are members of the Land Values Group of the Parliamentary Labour Party.

The Amendment was not taken—the Government did not give it the facilities of debate. Speaking on the official Amendment of the Labour Party,

MR G. RIDLEY (Labour) said: Let me say a word or two about the Amendment which appears on the Order Paper in the names of other Hon. Members and myself, which draws attention to the question of land values. I have had in this matter a curiously informative experience. Fourteen years ago I lived in what we humorously described as the last house in London. From my doorstep there was six miles of open country to Harrow, the poorest grazing land around London and not worth more than £40 or £45 an acre. Great arterial roads were made, public authorities came along with plans and the Government gave grants. Huge fortunes have been flying into the pockets of people who have done nothing to provide any sort of public amenities or services and who have made no sensible contribution to the development of what is now a very thriving suburb. It has all gone to enrich the private speculator. The Treasury ought not to stand idly by in a matter like this and watch these huge fortunes being made without tapping this tremendous reservoir of wealth. A tax on land values would go a long way towards solving our present financial problems, would enable us to extend our social services and develop those things which bring happiness and comfort into the homes of our people.

MILITARY TRAINING BILL

Extracts from House of Commons Debate, 15th May

[On Clause 7.—Simplification of procedure for obtaining possession of land taken under Defence Acts.]

MR ANDREW MACLAREN (Labour): Some of my hon. Friends and I have Amendments down which, I understand, are not to be called. But the Amendments which we have on the Order Paper are a distinct challenge to doing anything at all. The cardinal principle running through my mind is that as we are conscripting men to defend the land we should equally conscript the land.

THE DEPUTY-CHAIRMAN (COLONEL CLIFTON-BROWN): The hon. Member is now getting rather beyond the scope of the Clause, which, after all, is the simplification of the procedure.

MR MACLAREN: It is something more than that, if I may say so. It is an attempt to make sure that we are getting the land much more quickly than we did under the old procedure, and I say that with all its expedition the Clause is much too slow for me. Compensation will always be paid when it is a question of real property, but no arbitrator is called in to decide the value of a man's body when he is conscripted to defend that property. The difference is obvious. I do not suppose that, however much I talk in the Committee, I shall ever convince hon. Members that they ought forthwith to conscript land outright if they are going to call for a great sacrifice in the defence of that land. The Government adopt procedures of compensation. Under these arrangements they are not doing it openly and there will be no hue and cry from the public; but none the less, the owners of the land will get a toll out of this Amendment as it stands.

MR R. R. STOKES (Labour): I wish to put briefly four reasons why the Clause should not stand part of the Bill. First, as my hon. Friend the Member for Burslem (Mr MacLaren) has stated, what we are, in effect, doing to the young men of this country is to conscript them at a shilling a day and then ask them to buy the land before they can defend it. Secondly, they are to be asked, in effect, to come forward and sacrifice their lives in order that the landlords of the country may continue to draw not less than £500,000,000 a year in rent. It seems to me to be outrageous that the landlords should be paid anything more under this Clause or any other Clause passed by the Committee. Thirdly, I would endeavour to prevent the War Office from following the iniquities of the Air Ministry by paying fabulous sums for land which has hitherto been regarded as completely valueless, and for the guidance of the Secretary of State for War, I would point out that the Air Ministry already has paid over £1,000,000 for 5,600 acres of land hitherto considered valueless. Fourthly, the Committee may not have realised that in war-time the landlords in fact are the only people who stand to gain—

THE CHAIRMAN: The first three arguments of the hon. Member have not been in order, and I do not think his fourth is. I would point out to him that the Clause deals with a simplification of procedure for obtaining possession of land taken under the Defence Acts.

MR STOKES: If I should be completely out of order in continuing my remarks on the lines on which I have been speaking,

I will merely reiterate that I think it is outrageous that young men should be conscripted at a shilling a day and then should have to pay the landlords in order to be able to defend their land.

Mrs AGNES HARDIE (Labour): I also wish to protest against this Clause, even as amended. I think the same method should be applied in the case of land as is applied to the young militiamen. Land which is required should be taken, and hardship committees should be set up to which those suffering hardship could go, and could be given a little allowance if they were not very well off. I think it is outrageous to pass a Clause in this form. Everyone who has land, irrespective of his means, should be prepared to hand that land to the Government to use in the necessary way. I wish to join in the protest against this Clause being passed.

LIBERAL POLICY

The Liberal Party Organization held its Annual Assembly at Scarborough, 11th and 12th May.

Resolution demanding the Taxation and Rating of Land Values was unanimously adopted as follows:—

“This Assembly reaffirms its conviction that by the derating of houses and improvements through the policy of Taxation of Land Values, the cost of houses and improvements would be reduced and the purchasing power of the people increased. It emphasises the right of tenants to make improvements with the assurance that they will get fair compensation out of the increased letting value of their holdings at the end of their leases. It urges upon the Party Leaders the need for putting this policy in the forefront of the Liberal programme as one of the most vital and far-reaching reforms necessary to achieve Social Justice.”

In the resolution on Unemployment it was declared that: “Having regard to the continuance of the dangerously high volume of unemployment, and the fact that the Protectionist and other schemes introduced by the Government since 1931 have not only proved futile as solutions of the problem, but have aggravated it, and believing that only by the application of Liberal principles can the problem be solved, this Assembly reiterates its demand for a Government which will apply these principles, particularly by freeing trade from the restrictions which are stifling it in this country and the Colonial Empire, and thus enable Britain to become the pioneer of a movement for the freeing of trade all over the world,” and the final paragraph called for “a coherent and well planned policy for reducing the volume of unemployment in times of depression . . . by a programme of national development carefully prepared beforehand.” (As to which it will be agreed that Land Value Taxation would so promote employment that it will stand by itself as an effective policy and should come first and foremost in whatever is planned.—EDITOR *Land & Liberty*.)

The resolution on Agriculture condemned the Government policy of protection, subsidies, quotas and the like; and proposing a number of plans for more efficient marketing, for restoring and increasing fertility, assuring to farmers security of tenure and fair rents, providing higher wages and better housing and working conditions to farm workers and the improvement of educational facilities, declared that this policy must “by the taxation of land values ensure that the benefits are not monopolized by the landowners.”

Oxford University Liberals

An excellent expository article on the Taxation of Land Values appears in the May issue of the *Oxford Guardian*, organ of the Oxford University Liberal Club. It is so good that we propose to publish a large extract from it in an early issue.