

Bring back land tax to bust the 'monasteries'

BY P. E. POOLE

A CROWN rent on all land should be the basis of the British property tax, advocates Tory MP Sir Hugh Fraser.

Moving a Bill in the House of Commons on February 26th, Sir Hugh conceded that some MPs "may call this proposal feudal and reactionary – others revolutionary." Shades of Henry George and of Lloyd George himself with his cry of 'the land belongs to the people'.

"But the fact is that it is the environment and national need which has created basic values.

"Some will call this simply a tax on land. Well, that has advantages. You can't move land to the Bahamas or the Channel Islands, or even the Isle of Man."

Sir Hugh, brother of a Scottish landowning baron, moved the Rating System (Abolition) Bill in the hope of changing the basis on which the property tax was levied. He wanted a new approach which imposed greater fiscal discipline on local authorities, which spend £30bn p.a.

SIR HUGH called for the abolition of the Land Development Tax, which inhibited construction, and he outlined the direction in which the property tax should be developed.

"The conception, if not as old as the hills, is in law as old as the Norman Conquest. The property laws in this country still continue to be based on the Norman concept of tenure, that is, that all land is in tenure from the Crown.

"Today, of course, the Crown means the Crown in Parliament. The basis of my idea is simply that in the course of time, and when the details have been properly worked out, a Crown rent on all land, whether privately or publicly owned, should be reimposed."



PICTURED with Sir Hugh Fraser, Tory MP for the Stone Division of Staffordshire, is Jackie Onassis.

Sir Hugh is an old friend of the Kennedy Clan. He concluded his speech to the House of Commons, in which he advocated the return to a land tax, with a warning to fellow Conservatives:

"To those on my side who see my proposals as revolutionary, I would like to make one short quote from the Inaugural Speech of my friend, John Fitzgerald Kennedy: 'If a free society cannot help the many who are poor, it cannot save the few who are rich'."

Caroline Kennedy, daughter of the assassinated American President, was staying at Sir Hugh's home in Kensington, London, when an IRA bomb wrecked his Jaguar.

Sir Hugh, whose marriage to historian Lady Antonia Fraser was dissolved in 1977, unsuccessfully challenged Margaret Thatcher for the leadership of the Tory Party in 1975. He was a Secretary of State for Air in the 1960s. He was given a knighthood in 1980.

Sir Hugh attacked the large modern landowners:

"Some trusts and pension funds and urban property owners and municipalities have become as rich and as powerful as the Medieval Church and almost as free of tax as if they held land as

the bishops did in tenure spiritual."

He continued: "Often their's is like the monastic or the clerical dead hand, with neither development nor movement, but only accumulation.

"As a capitalist, for me the time has perhaps come for a new dissolu-

tion of these monasteries, a shake-up of the system: a wider spread of property: the true foundations of a property-owning democracy.

"That is, after all, and I speak as a Roman Catholic, what the Reformation in this country effected. An economic revolution and the unleashing of private enterprise."

The assessment of values would take time, so there was no call for panic action. "Nor if one takes into account the huge sums involved, running into hundreds of billions of pounds, would the burden be so onerous."

"Many an acre in the north of Scotland, or Wales, is lucky to be worth a fiver; in Mayfair or Holborn, an acre is cheap at £6m, and in the golden mile of the city, with its 32m sq. ft. rented at £25 per sq. foot, the figures for those 700 acres become astronomical."

Drawing on history for the transition back to a land tax, Sir Hugh asserted:

"This is a rent we all owe to our past and to our people and to generations to come. Morally, there is no question too but that it is the activities of the nation as a whole, in history, in infrastructure, in the general advance of our civilisation, which on this small over-population island has created the intrinsic value of our land."

UNDER THE scheme advocated by Sir Hugh, income earners who escaped the property tax would nonetheless make a contribution to the local exchequer through user charges.

Furthermore, the financial burden on local authorities would be reduced by a transfer back to the central exchequer of some costs which ought to be carried by the nation.

This strategy would preserve the independence of local government, by broadening local taxation and making it easier for people to assess who was responsible for public expenditure.

Other MPs, however, failed to support Sir Hugh's fiscal reforms. Alliance MPs Bill Pitt (Liberal) and John Cartwright (SDP) stressed the need for a local income tax. Tory and Labour MPs stressed the difficulties with the present property tax, but were not able to advocate constructive alternatives.

The possibility of abolishing the local property tax altogether was raised by Mr. Giles Shaw, Under-Secretary of State for the Environment, who in replying for the Government accepted the need for a radical review.

He said that the Green Paper *Alternative to Domestic Rates* had made an important contribution to the debate, but that the Government would not make any final decisions until March 31. Meanwhile there appeared to be no consensus about the direction which reform should take.

Sir Hugh's Bill, declared Mr. Shaw, was not acceptable to the Government, which did not yet have the information it needed to decide what the new system of revenue should be. The Bill was 'talked out'.

Death & Depression: the costs of being redundant

THE ECONOMIC costs of unemployment are easy to measure, and they are being used to good effect by the political Oppositions.

In Britain, for example, Prime Minister Margaret Thatcher is told to reflate the economy via a Keynesian pump-priming exercise, and the recommended sums range from £4 bn to £8 bn

Superficially, this may make sense. For the government is even now spending over £2 bn on unemployment benefit and another £2 bn on supplementary benefits.

On top of this, there is the loss of revenue from income tax (£3.1 bn), and indirect taxes (£2.5 bn), according to the Institute of Fiscal Studies.

SO WHY not create new jobs by investing public money in capital projects rather than in paying people to sit at home and do nothing?

Enoch Powell challenged this reasoning last October when he made two telling points in Parliament:

- Pump-priming over the last 30 years did not stop the inexorable rise in unemployment since the mid-'50s; and

- What guarantee was there that public expenditure would create new jobs rather than merely increase the rate of inflation?

But while the politicians argue over the financial statistics, they neglect the private suffering that is generated by unemployment.

The suicides can be computed. Press reports have chronicled how people have killed themselves because they cannot face the prospect of being jobless. There has been a significant increase in suicides in France; in Japan whole families have destroyed themselves – lemming-like – rather than suffer the indignity of being unemployed.

But the increase in physical and mental illness due to the recession is not so easy to quantify. It is,

nonetheless, a very real phenomenon.

AN AMERICAN professor, Harvey Brenner, produced evidence that demonstrated an association between mortality and morbidity and economic indices, including income, unemployment, economic growth rates and inflation.¹

More recently a British researcher, Dr. Leonard Fagin, published a pilot study of 22 families in which he showed that health deteriorated after unemployment.²

Dr. Fagin has complained that his report had been misrepresented by the Minister of Health, Dr. Gerard Vaughan. There is little doubt that Conservative politicians are anxious to play down the causal connection between their economics policies and the psycho-social consequences.

Now Dr. Linford Rees, emeritus professor of psychiatry at London University, claims:

"The possible effect of unemployment on health has been ignored to a remarkable extent by various authorities throughout the years. Evidence linking unemployment with psychiatric and physical morbidity has, in fact, gradually become available since the 1930s."³

Rees reviewed the leading studies, which confirmed that work is conducive to mental and physical health.

Physiological changes ascribed to unemployment included an increase in blood pressure and the serum concentrations of cholesterol, which correlated with increased depression, irritability and loss of self-esteem. These changes began during the time that redundancy was expected, and the abnormalities disappeared only on or a few months after re-employment.

Children were not immune; their school performance declined. Marriages were also affected, often leading to permanent separation.

The costs of unemployment clearly go far beyond the cold financial statistics, and the politicians need to weigh these in the scales when they debate about the recession. The urgent need for a permanent solution arises not from the misplaced zeros at the end of figures in bank balances, but because of the human grief that is generated every time a person is told that he need not report for work tomorrow.

REFERENCES

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IAN BARRON SPOTLIGHTS A MEDICAL TRAGEDY