

## DEBATE ON THE FINANCE BILL

Debate on the Second Reading of the Finance Bill took place on 23rd May. A motion (but not taken) had been tabled by Mr. R. R. Stokes and 20 other Labour members. It read: "This House declines to proceed to the second reading of a Bill which fails to deal with the land problem, the main obstruction to all post-war development, contains no declaration that the land and national resources of this country for which we are fighting shall forthwith belong to the people, and which to that end makes no provision whereby the communally created values of all land, whether used or unused, shall in due course be paid by the landlords to the State for the benefit of the community."

The debate proceeded.

Mr. J. R. LESLIE (Labour—Sedgefield): So long as land monopoly exists, how are we to undertake great and much-needed housing schemes in industrial areas? Industry enhances the value of land, and the landlord does nothing; but when a local authority desires to purchase land for public purposes, a ransom price is asked. One local authority wanted to purchase land for a fire station. That land was rated at 45s. an acre, but the landowner asked £1,500 an acre. If the land was worth £1,500 per acre, why should it not be rated at that value? In Wandsworth, land, rated at £14 per acre, cost £9,450 per acre—equivalent to 675 years' purchase. Take the case of a store in Piccadilly. It pays 20s. a square foot in ground rent—that is over £1,000,000 an acre. In Brentford, land was wanted for housing. The owner wanted £4,500. The district valuer valued it at £750. It went to arbitration and the local authority had to pay £3,230. Land was made for use, and not for abuse. In the vicinity of the towns, before the war, land could be seen lying idle, non-rated or rated only on agricultural value. The same thing will be seen when the war is over. Allotment-holders will be displaced, and the local authorities will be prevented from using the land for housing, if some restriction is not put upon this land speculation. Land for which the owner demands a ransom price ought to be taxed at the value which the landowner asks when he sells it. This would bring additional revenue to the State, or it would make landowners more chary of seeking unreasonable prices for land which was required for public purposes; and, also, it would stimulate the use of land for the needs of the community.

Mr. R. R. STOKES (Labour—Ipswich): What I want is not full employment, because that conjures up in my mind conditions of slavery and everybody being dragged to do things. What I want is full opportunity. The difference between full opportunity and full employment is the difference between freedom and slavery. To me the great obstruction to full opportunity is the land monopoly whereby the landowners are allowed to control and own the sources of wealth and the raw materials of the world free and unmolested, and to collect the full value of it for themselves. We have appealed again and again to successive Chancellors to do something about it and to remove what I call the obstruction to the flow of the life-blood of the body politic. The Chancellor will be well aware of that from representations that have been made to him in the past twelve months by no less people than the Lord Mayors and Mayors of the blitzed cities. They have complained to him that they cannot even begin to rebuild their cities and get hold of the necessary sites because the Government will not come to a decision. I want to give some examples—I quote them from a book, "Why Rents

and Rates are High," published by the United Committee for the Taxation of Land Values. We are going to spend vast sums of money on housing, but what do we find? Always the same obstruction with regard to the land. When the right hon. and gallant Member for Kelvingrove (Lieut.-Colonel Elliot was Minister of Health in 1938, he spoke of the purchase of land for the five years ending 31st March, 1938, and said that local authorities under the Housing Acts had spent no less than £8,000,000 to buy 35,000 acres of agricultural land for housing schemes. It was derated land and was paying no contribution of any kind to the community, yet before it could be got hold of for housing the people had to pay no less than £200 an acre for it. In four years the London County Council bought land at Bellingham, Roehampton, Becontree and St. Helier, which had a rateable value of £7,305, and they purchased it for £835,826. At 5 per cent. that land should have been paying taxes of £40,000 a year, but it was purchased for 110 times its rateable value. Then comes the question of green belts for the recreation and health of the people. An example is to be found at Bush Hill, Middlesex. The county council bought 107 acres of Bush Hill Park Golf Club for £70,000, which is equal to £700 an acre. That was not even to build on it, but in order to prevent anybody building on it. Then we come to education. In the four years 1934-7 290 acres for 105 sites were purchased for £218,000, which is again £700 an acre for land which was idle and derated.

I want to quote an authority on this question of land, the present Prime Minister. He said: "Land monopoly is a perpetual monopoly, and it is the mother of all forms of monopoly." That is true. It is all very well for people to smile and say, "What is the difference between land and everything else?" The great difference is this: Motor-cars, houses, armchairs and the like are all products of wealth. They are all brought about by the effort of man on raw materials. But who creates land value? Not the owner of the land, from his ownership. In so far as he is a worker he does contribute, but the value which attaches to land is created by the community as a whole, and nobody else. Why should not this value be collected for the people? It might be said that it is not much, but if the land of Great Britain were used properly it would bring to the landlords in economic rent £500,000,000 per annum. That is what could be collected and the extent to which it is not collected is the measure of the hardship landlords are inflicting on the community by not allowing the land to be used for the best purpose.

I want to quote the Prime Minister again, on this question of landlords:—

"He, the landlord, renders no service to the community, he contributes nothing to the general welfare, he contributes nothing even to the process from which his own enrichment is derived. It is monopoly which is the keynote and, where monopoly prevails, the greater the injury to society the greater the reward of the monopoly will be. See how all this evil process strikes at every form of industrial activities. The municipality wishing for broader streets, better houses, more healthy, decent, scientifically planned towns is made to pay, and is made to pay in exact proportion, or to a very great extent in proportion, as it has exerted itself in the past to make improvements. The more it has improved the town the more it has increased the land value and the more it will have to pay for any land it may wish to acquire. It is not the individual I attack, it is the system. It

is not the man who is bad, it is the law that is bad."

If the Chancellor had given his thoughts in the past to this problem of taxation he would have stumbled upon certain truths. First, that taxation should bear as lightly as possible upon production. Every one of the Chancellor's taxes in this Bill bears heavily on production, some more than others. Every one of the taxes we are discussing tends to prevent production. Secondly, a tax should be easily and cheaply collected. This is. Thirdly, a tax should be incapable of evasion. We have heard much about tax evasion to-day. You cannot evade this tax. It is quite impossible. You need no detectives to get it. Finally, a tax ought to be a fair tax. What is more fair than to collect for the benefit of the people the value which they themselves have created—land value? As I have said, I do not want what is called "full employment"; I want full opportunity to employ myself, and for each other man to have the right to do likewise in the way he chooses. The only way to put this matter right is to tackle the fundamental cause of unemployment, as I have suggested.

## PROTECTING OUR COASTS

The Editor, *Land & Liberty*.

SIR,—In the House of Lords on 17th May we were presented with the interesting spectacle of a noble Lord asking the Government to take over completely the cost of protecting the coast of this country from the encroachment of the sea. Lord Cranworth said that to save our land "there is only one remedy . . . and that is that the sea walls and sea defences generally should become a national charge."

The question as to how the necessary funds were to be obtained was not considered, but it was automatically assumed that they were to come from that never empty purse—the National Exchequer. Hence the general taxpayer is again to be called in to save the land for the private owner who, while paying no taxes on it, will no doubt claim the right to exact rent from any who wish to use it. From here it is but a short step to the time when the taxpayer will be compensating the landowner for loss of land value due to sea erosion in still further aggravation of the present injustice attached to landownership.

One would think that here was a case where the merits and justice of land value taxation was obvious. What could be more apparent than that the annual value of land created by the community should be used to preserve that land for the use of the community!

However, the Duke of Norfolk, who answered on behalf of the Government, could only bring himself to consider the amount that could be raised in various areas by a penny rate (not on land values, but on improvements), and, where this rate was small relative to the cost of land protection or drainage, agreed that the Government, i.e., the general taxpayer, would bear up to 80 per cent. of the cost.

Hence, not only is the landowner to be allowed to continue to draw his rent gratis, but his land value, that is, his ability to tax the public, is to be protected and improved by direct grants from the National Exchequer.

It should be encouraging to the working man to know that while a large proportion of his indirect and direct taxes are helping to pay for the war, at least a portion of them are being set aside in order to preserve the land for the landowner and so enable him to fleece the people even more than at present!

Yours, etc.,  
R. C. CLARKE.