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MR. CHURCHILL'S BROADCAST

THE PRIME MINISTER devoted a considerable part of his broadcast on 26th March to housing. He stated that the reconditioning of bombed houses was likely to be completed this year, that half a million pre-fabricated houses would be provided to meet immediate needs, and that a long-term policy of building permanent houses would spread over twelve years and would embrace 200,000 or 300,000 houses built or commenced in the first two years after the defeat of Germany. The local authorities already owned sites for 200,000 of these houses.

He reiterated the declaration that "all land needed for public purposes shall be taken at prices based on the standards of value of 31st March, 1939." He gave no hint, however, of the machinery by which this pledge could be implemented. No valuation was in existence at that date to which reference can be made. Valuations for local rating are notoriously low in many districts. In any case, vacant land and agricultural land are not valued for rating, as no rates are payable in respect of them. Thus there is no objective standard to which reference can be made. All that can be done is to ascertain what in the opinion of some people was the value in 1939. Although the Prime Minister chided critics of the Government for their impatience, it is not unfair to suggest that the delay in making definite proposals is in part due to the inherent difficulty of giving effect to this proposal.

The Prime Minister said: "This was a formidable decision of State policy which selected property in land for a special restrictive imposition, whereas stocks and shares and many classes of real property have gone up in value during the war, and when agricultural land, on account of the new proposals and new prospects open to farmers, had also risen in value."

There is nothing new in the doctrine that land stands in a special category and that the State is entitled to regulate its ownership. What is remarkable in this proposal is that the State deals with some land in a totally different fashion from other lands. The Prime Minister said: "The State has the power, which it will on no account surrender, to claim all land needed *bona fide* for war industry or for public purposes at values fixed before war-time conditions supervened." He added that there would be certain hard cases which will best be adjusted by Parliamentary debate.

Apart from hard cases, what are we to think of the general principle that if

a man's land is taken for public purposes he is paid a 1939 price, whereas if it is not so taken he gets the present-day price. The anomaly is particularly glaring in the case of agricultural land. The value of this land has, as the Prime Minister expressly admits, been increased by the action of the State, which has paid high prices to the farmers for food and has spent large sums in subsidising the price to the consumer. Where such land is taken for public purposes the owner will be given a pre-war value, but where it is not he will be able to get the much higher price of to-day.

On the other hand, it is not to be assumed that land has in all cases increased in value since the war. There does not appear to be much evidence at present of any large increase in the value of land inside the larger cities. But this is where land is most expensive, and in this case the restriction of the price to 1939 standards (if it can be made effective) is not likely to be of help to the local authority.

A further question is whether the Government expect to rely entirely upon public authorities to supply all the houses which are needed and that private enterprise should cease to operate in this field. There is nothing in his announcement which can in any way assist private building which, it is to be remembered, did provide a very large number of houses between the two wars and so contributed to alleviating the shortage.

In particular, it is remarkable that nothing has been said by him or by any member of the Government about our system of local taxation, which on the one hand imposes such a heavy burden upon houses when they are built and on the other hand by relieving vacant and poorly developed land from rates does so much to encourage the withholding of land from use and undue enhancement of the price of that which does come into use.

It is almost incredible that so obvious and important a fact should be so completely ignored. Most of all is this regrettable in the Prime Minister, who in times gone by has explained the land question with all the clarity and cogency of which he is such a master. As he himself said when Liberal candidate at Dundee (28th July, 1917): "I have made speeches to you by the yard on the taxation of land values, and you know what a strong supporter I have always been of that policy."

Although the Prime Minister referred to the 1939 ceiling, as it is called, he did not mention the other two proposals in

the Uthwatt report—the purchase of development rights and the periodical levy on increases in land values. This appears to confirm the statements which have appeared in the Press that the Government has rejected both of these suggestions. The first of these would have involved large expenditures by the State in purchase of speculative values; the second paid lip service to the principle that land values are created by the community and should benefit the community, but it would have been so uneven, partial and ineffective in its application as to obstruct a genuine application of the principle. We may be glad that these ideas have been thrown on the scrap heap, but that merely reinforces the necessity for effective action.

The need for reform of our method of local taxation has long been self-evident. The only practicable alternative is the rating of land values, and hundreds of municipalities in this country have approved it, while experience elsewhere has shown its simplicity and utility. The need is now much greater when local authorities are to have additional and very expensive tasks of education, health and planning entrusted to them, and when housing has become a matter of greater urgency than for many years past. If the Government would amend our local rating system in this manner, it would thereby make the greatest and most essential contribution to "reconstruction." No one could expound and recommend that policy more effectively than the Prime Minister. What holds him back?

We are going to set the example of making industry free—to set the example of giving the whole world every advantage in every clime, and latitude, and production; relying ourselves on the freedom of industry. Don't think there is anything selfish in this, or anything at all discordant with Christian principle. I can prove that we advocate nothing but what is agreeable to the highest behests of Christianity. To buy in the cheapest market and sell in the dearest. What is the meaning of this maxim? It means that you take the articles which you have in the greatest abundance, and obtain from others that of which they have most to spare, so giving to mankind the means of enjoying the fullest abundance of every earthly good, and in doing so carrying out to the fullest extent the Christian doctrine of "doing to all men as ye would they should do unto you."—Richard Cobden: In debate on the Corn Laws, 27th February, 1846.