

FOR WHOM THE RAIN FALLS

A BILL has been presented in Parliament based on the White Paper, Cmd. 6,515, "A National Water Policy," which was debated in the House of Commons on 3rd May. The scheme provides for the extension of piped water supplies and sewerage in rural areas, and piped supplies for agricultural land are to be extended to cover farm houses and cottages. For these purposes there are to be Exchequer grants amounting to £15 million for England and Wales and £6,375,000 for Scotland. The financial effect of this very necessary improvement will certainly be to raise the value of land, and already in anticipation it will influence enhanced land prices; but the White Paper is completely silent on that aspect of the matter, and therefore makes no provision for dealing with it. The scheme is commended as one of the important objectives of the Report of the Scott Committee on Land Utilisation in Rural Areas, again without reflection that it was the landlord's estate the Scott Committee proposed to improve, disregarding the claim of the public to the benefit of public expenditure, inferentially leaving the taxpayer to pay for all and offering temptingly higher stakes in the speculative land game.

The new Bill is to provide that in rural districts the expenses of water supply, so far as they are not paid by consumers, and of sewerage will be charged to the general rate and thus spread over the ratepayers of the district; provision will also be made for contributions by county councils to grant-aided schemes, which is to say that the county council rates will also help to meet the cost. Throw the expenses on the ratepayers (and the taxpayers), *never mind by what kind of taxation the burden is to be borne or with what economic effects* is the outlook of this and the other White Papers on post-war reconstruction schemes. The cost of the new Education Bill will ultimately involve an addition of £40,000,000 a year to local taxation; the proposed National Health Service names £48,000,000 as the necessary annual contribution by ratepayers, besides £48,000,000 from national taxation and £36,000,000 from the "social security fund"; which "fund" when it is established will be just so much taxation assembled in the poll taxes, the taxes on employment and "Exchequer contributions" to finance the social security proposals Sir William Beveridge has made.

It is sufficiently alarming that Parliament should contemplate placing the present rating system under greater strain or be moved to aggravate its intolerable injustice. Every addition to the rates imposed as they are to-day adds to the penalties against the better use of land and correspondingly increases the value of the privilege and therefore the power which by its exemption the land monopoly exercises. These methods of trying to raise revenue are a proved cause of housing

scarcity, high rents and the calamities of unemployment and hard times; and it is only by virtue of ever-increasing subventions from the Treasury that local government is saved from going bankrupt.

The unfairness of the proposals in this Water Supply Scheme stands out quite nakedly. The expenses are to be borne by the ratepayers in the counties and rural districts, that is, by the occupiers of houses and other premises, whereas the benefit will send up the value of agricultural land—and agricultural land is itself exempt from local taxation entirely in England and Wales, and is assessed at only one-eighth of its rental in Scotland. It is difficult to imagine anything more bare-faced in the way of a landlord's law or which more clearly reveals the urgency and the justification of the rating and taxation of land values.

In the matter of acquisition of water rights the White Paper proposes that the Minister should be empowered to take water compulsorily, since "it has long been a matter of complaint that even undertakers operating under the Public Health Acts (and therefore not requiring specific Parliamentary approval for new works) may be forced, if seeking supplies from a river or stream, to incur the expense of an Act of Parliament or to avoid this necessity by paying an exorbitant price." It is also proposed to extend to water undertakers operating under local Acts the facilities for compulsory acquisition of land already possessed by undertakers operating under the Public Health Acts.

But the conferment of compulsory purchase powers is no solution of the matter. The Arbitrator can do no more than arrive at what he considers to be the market value of the rights or of the land in question. In effect he awards the price of a monopoly and in the circumstances as they exist, which would be wholly altered if taxation were levied on land values; for the monopoly would be broken which causes the very rain from the skies to fall upon the earth as someone's private property.

The following are some instances bearing on the water problem. They teach their own lessons:—

At Ashen in Essex: The *Halstead Gazette*, 23rd April, 1937, reported that at the meeting of the Rural District Council the Medical Officer of Health said there was no satisfactory water supply and during the drought the shortage had been acute. The acquisition of a site for a borehole was discussed. Later it was learned that the Council had to pay £20 for a piece of land 100ft. by 50ft., agricultural land entirely exempt from rates, the price being equivalent to £174 per acre.

At Foxearth, in the same vicinity and some years earlier (September, 1934), two borehole sites were acquired, and the prices were £11 10s. for 36 sq. ft. and 5s. for 6 sq. ft. The price of £11 10s. for the 36 sq. ft. of unrated

agricultural land works out at £13,900 per acre.

An instance from Scotland is that of the Gordon Water District in Berwickshire, where a hospital extension necessitated an increased water supply. The information was given by a local councillor and was published in *Land & Liberty*, April, 1937. There was no other person wanting the water; there was no future likelihood of anyone else wanting it, running to waste as it was and costing the owner money to drain away. Two springs were acquired, and the cost was for the two springs £275; for land taken up round them, a few square yards, £5; for site of collection and storage tanks, £5; for servitude, or easement, supposed to represent damage done by any water officials visiting the tanks, £95; for surface damage, £17 10s.; for further damage and disturbance, £5—total, £402 10s. The land was inferior moorland pasture and £400 would have bought 100 acres of it outright. The case was decided at arbitration. So much for compulsory purchase powers as a means to cheapen either land or water.

[The Rural Water Supplies and Sewerage Bill had Second Reading on 18th May. In the debate, Mr. F. C. R. Douglas protested against the injustice in its provisions.]

Under the present system of subsidies a farmer who has first-class land gets the same treatment as the farmer on poor land. On first-class land, the farmer can produce seven to nine quarters of barley per acre and gets about £40, but the farmer on poor land who can produce only three or four quarters gets £16 to £18.—Sir Murdoch Macdonald (Liberal National—Inverness), House of Commons, 27th April.

In the past the annual Budget represented the degree of the economic activities and responsibilities of the Government of the 19th century. That was a time when the State undertook only very limited economic activities. As regards foreign countries its policy was one of Free Trade, and the exchanges were controlled by the Gold Standard. In the 20 years between the two wars, the whole of that conception was rapidly changing. The State was increasing its activities, both in participating more directly in the economic life of the country, and influencing it, in many financial ways. It was coming to accept responsibility for the employment of the people and the prosperity of the country as a whole. It used tariffs, subsidies and quotas. It managed the currency for the whole of the sterling area. In fact, during those years we were moving in the direction of a planned economy. Now I believe we have pretty well arrived there. . . . —Mr. H. Molton (Conservative—The High Peak), House of Commons, 27th April.

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