

PARLIAMENTARY DEBATES

LAND VALUE RATING BILL

21st February

Colonel WEDGWOOD: I beg to move:—

"That leave be given to introduce a Bill to enable local authorities to levy rates upon land values and *pro tanto* to reduce existing rates upon houses and improvements."

I ask the permission of the House to introduce this Bill under the ten-minutes' rule. The title of the Bill is the Land Values Rating (England) Bill. In this Bill, which applies only to England and Wales, the main principle is that every local authority should have the option, if they desire to do so, of levying part of their rates as they levy them at the present time, and the other part on the land values within their area so as to widen the field of rateable property in that area.

If there ever was a time when it was desirable to encourage enterprise, to encourage industry, and to afford larger opportunities for production, surely that time is now. What better way could you have of encouraging improvements than by removing from those improvements the heavy burden of taxation which the present rating system levies upon them? At the present time houses, than which nothing is more necessary to be built, not only to provide employment but to provide the necessary accommodation for the people, under our rating system have to bear a burden of taxation amounting in a few cases to not less than 50 per cent. of the value of the property. We are getting to understand, I think, that just as we were only able to get cheap and plentiful food in this country by the removal of the tax on food, so we shall only be able to get cheap and plentiful houses by the removal of the tax upon houses. If, at the same time, we relieve the rate upon the house by imposing the rate upon the land value, whether the land is being used or not, then we shall encourage the building of houses in two ways: Not only by removing the rate on the house, but also by imposing the rate upon the land value which is not used, thereby forcing the owner of that land to use it by putting it upon the market or by building upon it.

The need for this measure has never been more apparent. The housing problem has never been more acute. In other countries, they have met this problem on lines similar to those that we recommend to-day. In the United States of America, immediately after the War, in order to encourage house building, they decreed that all new houses should be exempted from local taxation. There is a great deal to be said for that method, but people would think that there was a certain unfairness to owners of existing houses if new houses alone were exempted from rates. In Australia, they have in the Borough of Sydney adopted the complete proposals. There they have transferred all local taxation from buildings and improvements to the land value. In New Zealand, they give an option similar to this. All local authorities are entitled to levy rates either on our system or upon the combined capital value of the building and land or upon the land value alone. It is curious to observe how in every case there has been a gradual progression from our system, through the intermediate system of rating on capital value, to a system of rating on land value alone. Throughout the whole of Canada—Ontario, Alberta, British Columbia—they also give to all local authorities the power to exempt improvements and buildings from local taxation, and now in many cases local authorities have exempted 75 per cent. of the value of improvements from rates, the balance being borne by the land values in the locality. The example of the Colonies might well be followed here, where our need both for employment and for houses and industrial development is far greater than there.

Mr. PRETYMAN: There is a very old problem that an ounce of practice is worth a pound of theory. I do not think that there is anyone who has not heard of the People's Budget of 1909-10, and there is no one in the country who is not fully aware that, instead of increasing the housing facilities, that experiment was the most disastrous one which has ever been made. A very large proportion of the shortage of houses in this country at this moment is solely due to that experiment. May I say that the experiment also has been equally disastrous in Canada in another direction. The local authorities there imposed their taxes upon land and succeeded for a time in getting their money, but afterwards they were unable to get their money and the land has been thrown on their hands absolutely valueless. They find themselves with a lot of unsaleable land upon their hands. The experiment has been disastrous there, and it always will be. It is another blow and a serious blow at agriculture. I believe that this is a common sense, businesslike assembly which does not desire again to embark on an experiment which has so disastrously failed within such a very short time of our memory.

Question put: "That leave be given to bring in a Bill to enable local authorities to levy rates upon land values and *pro tanto* to reduce existing rates upon houses and improvements."

The House divided: Ayes, 160; Noes, 218.

Tellers for the Ayes, Mr. Arthur Henderson and Mr. T. Griffiths.

There voted for the Bill 111 Labour Members, 42 Independent Liberals, 8 National Liberals and 2 independent members.

The National Liberals who voted against were: Captain H. Arthur Evans, Captain A. H. Moreing, G. H. Shakespeare, E. A. Strauss, Major Walter Waring.

Former supporters of the policy who were absent from the

Division: Lloyd George, Sir Murdoch Macdonald, J. I. Macpherson, Sir Alfred Mond, Sir Beddoe Rees, Sir William Sutherland, Sir Richard Winfrey, Lieut.-Com. Hilton Young.

Independent Liberals absent from the Division: Sir Charles Barrie, A. J. Bennett, Major W. A. Bowdles, C. W. Darbishire, Colonel D. Davies, J. Falconer, Isaac Foot, E. A. Harney, A. E. Hillary, Colonel J. P. Hodge, Lieut.-Con. J. M. Kenworthy, George Lambert, A. Lyle-Samuel, Lieut.-Col. A. C. Murray, R. Pattinson, S. Pattinson, G. R. Thorne, John Ward, Mrs. Wintringham.

Labour M.P.s absent from the Division: C. G. Ammon, C. W. Bowerman, F. A. Broad, W. Bromfield, T. Cape, J. R. Clynes, Evan Davies, J. E. Davison, Patrick Hastings, E. G. Hemmerde, John Hodge, Jack Jones, R. T. Jones, J. J. Lawson, H. B. Lees-Smith, J. Maxton, G. Middleton, H. Murnin, J. O'Grady, H. Parker, F. O. Roberts, W. S. Royce, James Sexton, C. H. Sitch, G. A. Spencer, B. C. Spoor, James Stewart, J. H. Thomas, Will Thorne, Ben Tillett, Steven Walsh, W. Whiteley, J. Wignall.

Independents (for): Oswald Mosley, E. Scrymgeour; against: A. Hopkinson. Absent: J. R. M. Butler.

Communist: J. T. W. Newbold.

We are advised by Mr. Wedgwood that the Bill was backed by the following members: Arthur Henderson, C. P. Trevelyan, D. Adams, J. A. Parkinson, R. J. Davies, George Lansbury, J. Wignall, C. H. Wilson and Andrew MacLaren.

THE DEER FORESTS OF SCOTLAND

Speeches by Mr. Thomas Johnston (Labour—Stirling Burghs) and by Mr. D. Kirkwood (Labour—Dumbarton Burghs) on the Debate on the Address

13th February

Mr. JOHNSTON: I wish to raise the question of the havoc caused in Scotland through the growing evil of deer forests. In my own constituency there is a farmer who suffered loss of grain, valued by an independent valuer, to the extent of £109 last year. That man has no compensation and no redress. Other farmers in the same position have equally no redress. Previous Governments have appointed no fewer than six different Commissions or Committees, and those Commissions of Committees have reported that this evil of deer forests is a growing evil, that it destroys agriculture in Scotland, that it is the prime cause of the emigration of the Scottish people, and that it is responsible for the physical and economic deterioration of our race. In the year 1921 a Committee on Game and Heather Burning reported, and both majority and minority reports condemned the growing evil of deer forests. The minority report says:—

"It has come with a shock of surprise to many that about one-fifth of the whole area of Scotland or from 3,500,000 to 4,000,000 acres are devoted exclusively to deer forests. These number over 300. Almost entire counties are embraced and the forests range in extent from a few hundred acres to 80,000 acres or more. At least nine deer forests are over 40,000 acres. One area was formed into a deer forest in recent years, about 200,000 acres of land, stretching across Scotland from sea to sea."

Both the majority and minority of the Committee declare that the evil was a growing one, and that it was essential in the interests of the nation that it should be stopped, and both reports state that it might be advisable to compel deer forest proprietors to fence their deer forests. Nothing has been done. This report, like previous reports, has been carefully filed for non-use. There is not a constituency north of Glasgow, not a county in Scotland, in which every farming community has not made every possible protest and made representations to the Government in every possible way to have this terrible evil stopped. Yet yesterday there was an attempt being made by a deer forest proprietor to secure £13,000 compensation for alleged disturbance of his deer, on the ground that during the War the Government demanded part of his deer forest for grazing in the interests of the food production of the nation. If my information is correct, the Scottish Office have admitted responsibility for compensation in this case. It is due to this House that the Government should make a statement upon this subject.

The serious position in which we find ourselves can be gathered from the last census. Farmers and graziers have decreased by 4,505, shepherds by 1,220, farm servants by 49,428. But game keepers are on the increase to the extent of 1,673. Yet hon. Members talk about the emigration of our surplus population at a time when you have 4,000,000 acres of Scotland exclusively devoted to deer forests. The best and the healthiest population in the world have been driven overseas. A soap boiler comes up and buys an island under the silly system of land ownership, and calls himself "Lord of the Western Isles" or something like that, and last week arrangements were made to deport 800 of the finest peasantry in the world beyond the sea. How long is this kind of thing to continue? The population, the material wealth of the country, the food production of the country, and its economic value are decreasing, and Scotland is being turned into a pleasure ground for idle parasitic rich, who crowd up to Scotland on the 12th August, dressed in kilts, with their French cooks and their butlers, to hunt tame deer over land that once reared a whole peasantry. If the Government does not move in this matter, we will have, for the first time in the history of the Labour party, the farming community in Scotland behind us, and we will pester and worry the