

SCRAPPING THE LAND VALUE TAX

The Pro-Landlord Policy of the National Government

Since the General Election the Tory Press and the landed interests have conducted an intense agitation for the repeal of Part III of the Finance Act (No. 1) 1931, with its provisions for the valuation and taxation of land values. Day after day in the House of Commons, the Chancellor of the Exchequer (Mr Neville Chamberlain) has been bombarded with questions from Government benches. The Rt. Hon. George Lambert (Liberal Nationalist) has taken a leading part in the attack. The questioners were put off repeatedly for "a statement to be made before the House rises."

On 8th December the Government decision was announced by the Chancellor of the Exchequer answering further questions.

MR NEVILLE CHAMBERLAIN said: The Government have given careful consideration to the question of proceeding with the valuation provided for in Part III of the Finance Act, 1931. As the House knows it was estimated that the total cost of the valuation would be from £1,000,000 to £1,500,000. A certain amount of money has already been spent but the great bulk of the expenditure is still to come. In the meantime the need for economy has become paramount and the Government feel that, in present financial conditions, they would not be justified in incurring further expenditure upon an object which, in any case, could not produce any return for a considerable time.

Without prejudice therefore to the merits of the plan, which have not been under consideration, the Government propose to suspend work upon the valuation and to disperse the temporary staff which has been engaged in connection with it. The necessary legislation will be included in next year's Finance Bill.

On the motion to adjourn the House:—

MAJOR C. R. ATLEE (Labour) said: The Finance Act, 1931, lays down clearly that the Commissioners of Inland Revenue shall, as soon as may be after every valuation date, cause to be ascertained at that date the land value of every land unit for the purposes of the Act. That is the order of this House.

The Chancellor of the Exchequer, without any attempt at altering the law, has simply put himself into the position of a dictator.

For some reason or other he is in a great hurry. He is pressed by hon. Gentlemen all over the House. They want their pound of flesh, because no one will take the plea of economy seriously. There is nothing of economy about it at all. We know perfectly well that the Conservative Party hate and loathe the Land Duties, and have been clamouring to get rid of them, and with a Conservative or Coalition Government with a majority of Conservatives returned, even if the pound were looking its best and the country's finances were flourishing, they would still have objected to this and have made their Minister toe the line.

The Lord Privy Seal (Viscount Snowden), when he was in the House of Commons explained that this was the first real attack on the land monopoly of the country. The land monopoly was the greatest burden on industry. We wanted to lift off the burden from industry, and I want to know what the Lord Privy Seal is doing in this crisis? I do not know whether, with the House of Commons' right to decide taxes and the right hon. Gentleman's power to dispense with the law—and he is the first man to do it—the collective responsibility of the Cabinet has gone also. I suppose that this has been approved by the Lord Privy Seal. He said that this was a far-reaching step which would liberate the land for the people and abolish once and for all the tyranny under which the people of this country have suffered. I know hon. Gentlemen opposite do not agree, but their colleagues in the Cabinet agreed. It is an abrogation of the functions of the House of Commons.

THE CHANCELLOR OF THE EXCHEQUER (Mr Chamberlain): It is not on the merits of the Land Value Tax or of the Land Valuation that the decision of the Government,

which I announced this afternoon, has been taken. It is simply and solely on the question of economy. A matter of £1,000,000 or £1,500,000 does not seem worth while troubling about, according to the hon. and gallant Member. It was exactly that attitude of mind which brought the country to the necessity of supporting a Government which took responsibility from its predecessors, who ran away. There is no breach of the law here at all. The operative part of the Act is that which prescribes that the tax, according to Section 10, is to be levied for the year ending the 31st March, 1934. The tax is to be collectable on the 1st July, 1934, provided that the valuation is complete in time to allow the tax to be collected on that date, and provided that in the meantime this House does not alter the Act so that the tax shall not be collectable on the 1st July, 1934. Therefore, it does not matter whether the valuation is completed now or whether it is completed at some time in the future, so long as it is completed in time to enable the tax to be collected on 1st July, 1934. Obviously, this valuation cannot proceed unless there is money to pay for those who are engaged in the valuation. That money will not be forthcoming unless the House votes the money, and that money will not be voted by the House unless the Government ask the House to vote it. The Government informed the House this afternoon that it does not propose to ask the House to vote that money. The staff were engaged on a temporary basis; that was the term of their engagement. They will therefore receive the notice, which is one of the terms of their engagement, and after that they will be free to seek other employment.

MR ANEURIN BEVIN (Labour): The House has listened to a most extraordinary speech. What we are charging the Government with is a complete defiance of the will of Parliament. Hon. Members may regard this matter lightly, but every hon. Member, whether he is a Tory, a Liberal, a National Liberal or a Member of the Socialist Party, is the custodian of the privileges of this House, and no Government ought to be tolerated because they have succumbed to forces outside this Chamber. It has become notorious that the policies of this Government are not made in this Chamber at all but at deputations at the Carlton Club, or wherever hon. Members opposite may foregather.

As we understand it, it will be the duty of the Attorney-General to ascertain what is the law, and what is the will of Parliament and it will be his duty to prosecute the right hon. Gentleman, if he prevents the Commissioners from carrying out the duty laid upon them. It will be his duty to prosecute the Commissioners upon whom the Act lays the obligation to carry out the valuation, if they fail to do so. If the valuation is not proceeded with and the Attorney-General does not take steps to carry out the will of Parliament, it will be our obligation to accuse the Government of violating the will of Parliament in order to prevent the carrying out of an Act of Parliament merely on the ground that it is politically repugnant to them.

RT. HON. GEORGE LAMBERT (Liberal Nationalist): I never believed in these taxes, and I am glad that they will disappear. I should have wished that the Government had repealed the whole thing, lock, stock, and barrel. That would have been the wisest course, but as it is I congratulate them upon having suspended these duties.

MR J. MCGOVERN (Labour): If this proposal had been put to the country and the working classes had been told that instead of stabilizing the pound you were going to stabilize the income of landowners, a different tale might have been told. The present Government are simply the servants of outside forces, who are dominating this House, and using the cry of economy and national necessity to plunder the resources of the nation. I do not think a more flagrant abuse of democratic power has ever been known.

MR SEYMOUR COCKS (Labour) and MR PERCY HARRIS (National Liberal) also joined in the protest against the Government's decision.