

## SPEECHES IN PARLIAMENT

## THE BUDGET

IN THE debate on the Budget, 14th April, Mr R. R. STOKES (Labour), M.P. for Ipswich, said: "I regret that the Chancellor has not seen fit to introduce into the Budget a thoroughgoing tax on site values. Now the cat is out of the bag, and he knows what he ought to do. He says he wants money. There is £500,000,000 a year waiting for him, all taken tax free by people in return for land ownership not for effort. Let me quote the Prime Minister on the subject. He was once a great supporter of the doctrine, and this is one of the things that he said about the land monopoly:

"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 key note 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."

The law is bad law as it stands, and it is time we changed it. I am not attacking the landlords but the law. May I quote from the present Lord Chancellor? He said in June, 1914:

"If you tax such a thing as boots, you make boots more expensive, because the more you tax boots the fewer boots will be produced, fewer people can afford to buy them and fewer people will be employed to make them. But if my friend thinks a minute he will see that you can tax land until you are black in the face but you can't make the land any less than it was before."

That is as true to-day as it was then. I have always understood that the great idea in the Chancellor's mind when fixing taxation was to bear in mind four things. First of all, it should bear as lightly as possible upon production; secondly, it should be easily and cheaply collected; thirdly, it should be direct, so as to avoid evasion on the part of the payer and corruption on the part of the officials; fourthly, it should be fair. The Chancellor's method of raising taxes evades all those tenets. If you tax manufacturers, you check manufacturing; if you tax commerce, the effect is to restrict exchange; if you tax improvements, you stop improvements; and if you tax capital, you drive it away. But you can tax land till you are black in the face and it will still be there waiting for you to tax it, and you will take back to the community, for the use of the community, values which the community themselves have created, and that is what we want to see done. What could be fairer than that?

6d. A BIOGRAPHY OF HENRY GEORGE. By Professor George R. Geiger.

1s. WHAT'S WRONG WITH TAXATION? By Judge Jackson H. Ralston.

## POST-WAR RECONSTRUCTION

IN THE debate in the House of Commons on the Easter Adjournment, Mr Molson raised questions relating to post-war reconstruction.

Mr R. R. STOKES (Ipswich) referring to the Uthwatt Report said "I would ask that the Uthwatt Report should not be put into operation as it now stands. First, it states specifically in the terms of reference that one of the objects of the Report is to stabilise the value of land. The person who drafted the terms of reference or made that statement, does not know what he is talking about. You cannot stabilise the value of land; the value of land constantly varies. What you can do is to stabilise the price of land, but it is physically impossible to stabilise its value. Secondly, the Report claims to put a tax on site values. It does nothing of the kind. Thirdly, the compensation proposed in the Report will react entirely unfairly on the community. The proposal is that whatever land is appropriated should be compensated for on the basis of the 1939 valuation. But no valuation was taken in 1939, so how it is to be done I do not know. But even if it were possible, the 1939 values were grossly speculative, and if that is to be the basis of appropriation, the landlords of the country will do what is vulgarly known as "Walk away with the swag." Fourthly, the Report does nothing at all to stimulate production which, after all, is an essential thing. By that I mean that in its approach to the whole land question, it places no penalty at all on those people who own or control land and who either use it badly or do not use it at all. For those reasons the Report stands condemned."

Mr F. C. R. DOUGLAS (Battersea, North) said: What the men in the Forces and the men in the factories are worried about is whether they will be able to get a job after the war and be able to earn wages in order to keep themselves. That is the thing above all others that is really concerning the people of this country, because they have not forgotten what they had to go through after the last war. We are in a country which is dependent upon international trade and, therefore, we are dependent upon the arrangements which can be made with other countries after the war, in order to promote the well-being of ourselves, our Allies and the whole world. I hope that the Government are not forgetting the pledges which have been given to the world in the Atlantic Charter and that they will be carried out in the spirit in which I believe they were entered into, without qualifications or reserves of any kind. We must have a system under which the products of the world can be exchanged freely and equally between all countries. Unless we have that, we shall gradually drift into the position in which we were before the war, in which unemployment continued at very high levels and in which continuous uncertainty and anxiety prevailed. The whole of Europe became a closed area to imports from the United States and the rest of North and South America and from other parts of the world which were engaged in producing food-stuffs and other primary materials. We have to get away from the idea of trying

to make each country a closed economy. We have to recognise that we live in a world in which every person, every nation, is interdependent upon every other and in which the greatest production of wealth and the fairest distribution of it, can only be attained on the basis of producing it in those areas in which it can be produced best and most economically, instead of attempting to foster in an artificial way industries and production in areas which are not suited for them.

With regard to housing after the war, there is a need of an exceptional and urgent character. There is not only the fact that a great many dwellings have been destroyed by the action of our enemies. There is a complete cessation of building and a wear-and-tear and lack of repair of existing buildings which have produced a great shortage of housing accommodation, particularly in London. When the people who have been evacuated during the war come back, there will be a clamour of a most alarming character for accommodation. It is a problem which will have to be faced and faced very energetically. We have had some mention to-day of the report of the Uthwatt Committee. I press upon my right hon. and learned Friend the view that the Uthwatt Committee did not cover a large part of the field which has to be considered in connection with housing and replanning. One of the greatest obstacles that our local authorities have had to face up and down the country is the enormous price they have to pay for land for housing, street widening and other replanning purposes. We cannot go on under a system in which land is held up against the demand for housing and other purposes, at exorbitant and outrageous prices. I hope that some attention will also be paid to the adverse effects of our system of local rating, which is imposing a heavy burden upon the provision of housing accommodation. If we want to get housing more cheaply, we must consider whether some change will not have to take place in that respect. I hope some plan will be made by which questions of the valuation of land and the incidence of rates, and all the other economic factors which bear upon this important industry, which is capable of giving a great deal of employment after the war, will be dealt with in a manner calculated to raise the barriers now opposed to the building of houses.

The reform of the rating system so as to preserve for the community some of the gains from development which now go into private pockets . . . would probably be the most important contribution to efficiency and welfare that could be made.—Prof H. A. Marquand in *South Wales Needs a Plan* (Allen & Unwin).

In answer to enquiries the extract "Meadow Thoughts" by Richard Jefferys which we published in our March issue is taken from his book *The Life of the Fields*, published in 1884.

6d. LAND VALUE TAXATION IN PRACTICE. Review of what has been done in a number of countries. By A. W. Madsen, B.Sc.