

## UNIVERSITY LANDOWNERS

ATTENTION HAS been drawn in these columns from time to time to the proclivity of universities, colleges and other educational institutions for investment of their resources in purchase of land. Being classed as charities such bodies pay no income tax, and being corporations which never die they are not liable to death duties. Many of these purchases have been of agricultural land, which is not liable to local rates, and the value of which has risen enormously because of the war and the high and assured prices for agricultural products. In an article in the *Daily Express* (10th May) Mr. Michael Stuart says that "the universities during four and a half years of war have been grabbing land with gusto."

"Already in 1939 Oxford University owned 179,000 tax-free acres in 47 counties, and Cambridge was not far behind with 115,000 acres in 39 counties. Tax-paying farmers could not easily bid against them.

"Often the colleges would make a handsome profit by selling their land in developing areas. All Souls, Oxford, for example, claimed £262,000 for 160 acres at Wembley in 1937. They were awarded £214,000—more than £1,300 an acre.

"Consider the war-time purchases of Oxford, largest of university landowners. Perusal of the 295-page forest of figures which constitutes its last published accounts informs me that the land may be bought in two ways—by the university as a whole, at the behest of the curators of its chest; or by the colleges, acting independently.

"In 1942, the year to which the last published accounts refer, the revenue drawn from estates owned by both colleges and university chest amounted to the not inconsiderable sum of £470,000. All Souls College alone drew £66,214. Queen's College drew £45,302.

"What did they do with this money? They bought more land with it. To be precise, they bought £260,000 worth of land. The biggest buyer was Magdalen College, which invested in estates the sum of £101,640. This is strange, since its revenue from estates amounted to just under £80,000.

"In other words, Magdalen College had such wealth that it was able to spend £20,000 more in buying land than its annual revenue from existing estates. How?

"During the year it sold £22,452 worth of land. The proceeds of this sale, plus the entire revenue of the college, went back into land, since the college could find no more charitable use to which it might put its revenue.

"All Souls College also became embarrassed by its unwieldy wealth and hastened to transmute it into land. Its case is even stranger than that of Magdalen, for it bought £92,900 worth—£26,000 more than the total of its estates revenue. But the fellows of All Souls did not find it necessary to sell one acre of its great properties to get together this £92,900.

"This clearly means that the money which these colleges draw from their land is considerably greater than the sum necessary for their charitable dispensations. In fact, if All Souls owned not one square yard of land outside the precincts of the college it would still have had £26,000 to invest."

Mr. Stuart points out that these bodies have other sources of income. At Oxford, for example, the university chest "obtained in the year ending 31st July, 1942, £57,000 for admission fees, degree-fees, and all the other fees the curators saw fit to impose upon the young and humble seekers after knowledge.

"Then there are those munificent gentlemen who down the ages have endowed the chest with the money to pay for libraries, scholarships, museums and professorships. The revenue from such trust funds amounted in the year we are considering to £161,000.

"The Government as well felt compelled to come to the aid of this hardly impecunious university, and this to the tune of £106,000—a recurrent grant.

"All told, the chest received, apart from its estates revenue, no less than £423,107 wherewith to dispense its annual charity. And each individual college likewise derived income from its own particular fees, grants, trust funds, special funds, and contributions. In the case of Magdalen College, for instance, these totalled £44,000."

We are, of course, in favour of education, but the facts stated do raise the question whether the grant of so much public money is needed and whether the benefit of it is actually being passed on to the students. They also raise the question whether institutions so endowed can be expected to take an impartial view of the land question—an inquiry to which point is given by the tendency of university economics to classify land as capital and indeed to leave the word land out of their teaching completely.

Adam Smith, David Ricardo and other founders of the science would certainly be amazed to read text-books which completely ignore the fact that all wealth is produced from land and which never allude to the fact that "every improvement in the circumstances of society tends, either directly or indirectly, to raise the real rent of land, to increase the real wealth of the landowner, his power of purchasing the labour, or the produce of the labour of other people."

"The introduction of the P.A.Y.E. scheme has not been without its humour on the official side. One good story concerns a certain Welsh farmer who, having received the parcel of literature about the scheme, wrote back to the authorities stating that it was all too complicated for him to understand. He had accordingly dismissed his only labourer and decided to do the farm-work himself."—*Western Mail*, 28th April, 1944.

## FOR THE LIBERAL ASSEMBLY

The following is the text of the Resolution which the Liberal Liberty League submitted for inclusion in the Agenda of the Annual Liberal Assembly, whose meetings have been postponed from May till later in the year.

## "LAND AND LIBERTY"

"This Assembly endorses the resolution adopted by the London Liberal Party on 16th October, 1943, affirming that 'it is not in the public interest, nor is it necessary for the purposes of reconstruction to purchase with public money Land Values which are created and maintained by the public; that the value of the development rights which the Uthwatt Committee proposes should be purchased is merely a speculative value due to Land Monopoly which should be taxed out of existence'; and affirming that 'the Taxation and Rating of all Land Values, whether urban, agricultural or mineral, and the untaxing and unrating of buildings and other improvements on or in the land, are the indispensable pre-requisites for reconstruction and development after the war';

"The Liberal Party reasserts its faith that the development of individual liberty is the true way of raising the standard of the individual. It disclaims the 'economic planning' of a paternal and coercive State. It holds that the way to liberty is to release the individual from controls by privileged classes, monopoly and officialdom; so that, with the distribution of wealth assured to those who produce it, the drift to totalitarianism may be arrested and the masses of the people, given economic independence, may follow the Liberal Party in establishing a society free and confident in wider liberty. Such a society would be evident to the world as a peace-loving state without any motive for aggression. The Party therefore pledges itself by the policies it advocates to make the rights of the individual under equal opportunity its paramount concern."

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The Metropolitan Water Board pay, year by year, and will go on paying for 500 years from 1581, when a gentleman got permission to take water from the river Thames at London Bridge. He established his wheel there to take up the water and to distribute it in a very limited fashion round about. Because he obtained that power as a freeman of the City of London, the Metropolitan Water Board and the people of London have been paying since 1581, and will pay till 2081, a sum of £3,750 per year to the descendants of that man. I believe there is still a company. That kind of company ought to be done away with. It is disgraceful that the people of London should have to pay tribute such as that. The nation ought to take power to destroy that kind of thing.—Mr. V. L. McEntee (Labour—Walthamstow W.), House of Commons, 3rd May.