

THE NEW SMALL HOLDINGS ACT

Mr Andrew MacLaren, M.P., on Public Land Purchase

The Government have made another gift to the landowners in the Small Holdings and Allotments Act passed last session. The measure is intended to set up peasant proprietors by public land purchase at the cost of the taxpayer. Its only effect can be to stiffen the monopoly price of land throughout the countryside. The Government itself admits that each holding will cause a loss to the Treasury of at least £25 a year as long as the loans to finance the purchase of land are outstanding. The Chancellor of the Exchequer on 6th December, in answer to a question, stated that the Act was estimated to cost the Treasury £150,000 a year. The local authorities will be expected to raise £6,000,000 by loan (for land purchase) either from the Public Loans Fund or from other sources. The money is a premium that will go straight into the pockets of landowners, but the worst feature of this use of public funds is the reaction it will have in stiffening land values generally by the example and precept of the prices the County Council and the Government are willing to pay.

Mr ANDREW MACLAREN has taken a leading part in opposing the Bill in Committee and on the floor of the House. Speaking on the Report stage, on 30th November, he said:—

“The moment the Government appears on the scene as a land purchaser prices are inflated at once. When we were discussing the Agricultural Credits Bill it was openly admitted from the Government Front Bench that the land became higher in price the moment the Government appeared on the scene as a purchaser. It was true, and it will be true again. I cannot help recording what Lord Bledisloe said in another place in dealing with this question:—

“‘The great difficulty which arises in the case of allotment gardens outside a great urban area is that of acquiring land at anything like an economic value, bearing in mind that the rents charged to the allotment-holders are bound to be based upon the price paid on the acquisition of the land.’

“That is a point the Minister should keep in mind in discussing this Amendment. Lord Bledisloe proceeds:

“‘When there comes an urgent demand for allotments, the land has suddenly to be acquired. Land of high capital value, based upon its value for industrial purposes, has to be let or sublet to the allotment-holders at rates which they find difficult to pay.’

“He goes on to give illustrations. In Committee we pointed out, and I think it is worth while pointing out again, that land which is to be any use for small holdings must be contiguous to towns or markets or some centre of activity, and that is bound to be reflected in the enhanced site value. Therefore, if this Bill is going to be carried out and create smallowners and proprietors, surely the first precaution the Government should take is against any attempt on the part of the landowners to take advantage of site values in handing the land over, and thereby create an enormous demand, increase prices, and hinder development. Inflation is bound to take place where the Government or local authorities are likely to appear as buyers, and this will tend to hinder that desire which every man in this House has, to open up natural opportunities for men who are unemployed. It is to facilitate that that we hope the Government will clip the wings of the speculators, and give opportunities for land to be obtained at lower prices.”