

## DEATH DUTIES ON AGRICULTURAL LAND

MR A. R. McDUGAL, who is watching the agitation of the landed interests to escape death duties, can speak as a tenant farmer with special knowledge of agricultural land. He submits the following :

**Reasons Against Exemption**

The exemption of agricultural land would at once add to the price of farm land the amount of the exemption, and a buyer would have to pay the death duties years in advance of his death, because he would pay them when he bought, disguised in a higher price. This of course would handicap a farmer buyer, or indeed any other buyer by saddling him with more dead capital or debt. The exemption would thus be a burden on farming instead of a benefit.

Big City financial interests and people anxious to avoid death duties, our millionaires, etc., would all rush to buy big estates, merely to lock up their money clear of death duties. This would lead to the encouragement of the very class of landowner we wish to avoid, one who cares nothing for the land and who would bleed it white as badly as our old, bad landlords do.

Is there any moral justification for favouring any class in this matter, and especially when that class is the mere landowner who is not a producer of food himself but is too often merely a parasite on agriculture, and worse than a mere passenger in many cases, because he too often puts game, deer and other interests first? Around York even, I am told that few rural cottages have water and I know many quite big farmhouses without water laid on. This in 1941 is a sad commentary on the landlords of Britain.

Compare, say, a landlord with his sheep farming tenant. The farm capital is about £15,000 whilst the value of the land may be about the same. (Sheep stocks are often worth more than the land.) Supposing both died and left no other assets. Death duties would fall on the sheep farmer and his trustees might have to give up the farm in order to pay duties, and the whole business would be broken up. Whereas in the landlord's case he can sell land to pay the duties without any great upheaval. Death duties on £100,000 of agricultural land are £13,000. He can easily sell 13 per cent of his farms. Why in any case should he be encouraged to go on owning land when he only lets it out to others to farm, when the farmer must pay?

Much of the selling of land is the effect of death duties and if it were not for the duties there would be fewer chances than ever of a farmer buying his farm or of fresh blood getting in. The idea that the old feudal owners are best is pure fiction. A hundred and fifty years ago or even 100 years ago there were many local resident landowners who did really know and manage their land. To-day there are hardly any. The landlord and tenant system is hopeless and unless something forces land on to the market it will take ages to get an occupier-owner system started. I have always looked upon the break up of large estates caused by death duties as the best thing that could happen.

The higher the price of the farm the greater is the burden on the farmer. If he buys a farm for £7,000 instead of having to pay £11,000 for it, as a food producer and farmer he is obviously in a far better position to develop and improve the farm. Further, if he is efficient the payment of these duties

after thirty years will be a mere fleabite to what he has made, whereas if he has been inefficient he will have no assets to pay duties and he will have to sell out, which is just what he should be compelled to do in order to let a better man get a chance.

Why should the most useless class of the community, the landlord, get any special exemptions, when there is a better system waiting to take his place?

As a farmer and as a citizen and as a prospective landowner I look upon death duties on land as *good* in every way, both as stated above and because it is right that the owner of land should pay for the privileges he has been allowed to enjoy and for depriving the community of these.

**Arguments for Exemption**

I cannot think of any sound ones. The only result would be the stabilising of present owners and the increase of land values. If one puts a value on the retention of "our old nobility" on the land that might be a reason, but most of us do not look upon their retention as either necessary or desirable. In feudal days the Lord or Leader was essential like the Highland Chieftain. But now it is not so.

One admires and respects the real love of the land and the desire to remain owner of one's ancestors' estates, *provided that* this love is real and is shown by the owners spending time, care and money on their estates. But in practice they do not and their love is now reduced to a kind of false social pride.

One Marquis I know whose estates are neglected and who was heard to remark that he did not ever bother to see them (he left that to his lawyers) also boasts that he has not sold an acre of his family lands. He takes no pride in them. He does not know his tenants even by sight or name. Yet he will not sell but will continue to struggle on, mortgaged to the neck, and spreading ruin over a big area.

The thing is so desperately serious and so few of our rulers understand it that I am in hopes that reasonable landowners who are also good citizens will at least consider the points I have put and weigh them up well before actively supporting the exemption policy.

I have just gone through *The Prophet of San Francisco*; *The Life of Henry George*, by H. G. Junior; *Rebel, Priest and Prophet*, Stephen Bell's biography of Father McGlynn and the big book, *The Philosophy of Henry George*, by Geiger, as well as *Land and Freedom* by Verinder, and have dipped into *Social Problems and Progress and Poverty*, and then on with Geiger's *Theory of the Land Question*. I am looking forward to a real revel in *S.P. and P. and P.* this winter with the aid of *Douglas's Manual*.

All this has re-inspired me and made me more keen for Henry George's great remedy than ever before. I only wish I was 40 next birthday instead of 70. I am rapidly coming to the conclusion that we Socialists have wasted 40 years by not getting down to bed rock principles upon which foundation a real associated and co-operative civilisation could be built. As things are to-day all our efforts, local, national and international, only go to bolster up Landlordism, and the land ramp is going on in front of our eyes.

Well, as Lincoln said about Slavery, he would hit it hard, I feel I am going to spend what time is left me in hitting landlordism in this country as hard as I can by a keener advocacy of Taxation and Rating of Land Values for, then, all other things that matter will be added unto us.—J.W., YORKS.

## NEW ZEALAND

Mr George M. Fowlds writes under date 10th October: "For some six months now we have had Mr H. B. Cowan of Canada, who has been sent around the world by a group of citizens of the U.S.A. and Canada to inquire into systems of local taxation. He has held some high positions in his homeland, as secretary of the Canadian Chamber of Agriculture. He had planned to go on to Australia, South Africa and then Great Britain, but he does not expect to get away from here for another two or three months. He is a very likeable personality and does not antagonize people, so much so, that he has been able to get a committee of prominent Government officials and others in Wellington to make a study of rating. He is one of the most methodical investigators I have seen, and his report should be the most valuable one ever produced of the effects of rating on the unimproved value in New Zealand. He says we do not know the valuable work we have done, and it should have far-reaching effects with the people he has to report to back in America."

## AUSTRALIA

Commenting on the change of government in Australia, *The Standard*, Sydney, N.S.W., 15th October, says: "From our point of view it appears to make little, if any difference. So far as maintaining special tariff privileges for monopolists they may prove even worse than their opponents. When the Labour Party was in office over ten years ago the secondary industry magnates had the time of their lives. The Government was only too willing to give them all they wanted. The consumer has had to suffer ever since because of their protection-run-mad policy."

"The war has latterly been more effective in restricting trade. It has boomed local industry in many ways, regardless of cost. The interests built up will want to maintain their special privileges when peace returns. It will require a strong hand to restrain them and to insist upon that freedom of exchange of goods and services essential to enduring peace and prosperity."

Four members of the Labour party have been elevated to the House of Lords, the object being to strengthen the Labour representation in that "Upper House." They are Col Josiah C. Wedgwood, Mr Wedgwood Benn, and Mr R. Fletcher, who were all members of the House of Commons, and Mr Charles Latham, the leader of the Labour party on the London County Council. By this creation of peerages, by-elections are caused in the constituencies of Newcastle-under-Lyme, Gorton, and Nuneaton. The obstinate "conspiracy of silence" was noticeable in many of the complimentary references to Col Wedgwood's life and public work, especially during his 36 years as a House of Commons man. Few mentioned his chief title to respect if not to notoriety, his devotion to the Henry George philosophy. He will be much missed in the Lower House, but among the Lords a missionary of his ability and zeal is greatly wanted and he will not be slow to give them the doctrine. Our best wishes go to him and his colleagues who are clothed now with new opportunity and responsibility.