

area of origin. Similarly, what happens with dual-nationality companies? And even if some method were found to distribute the tax proceeds to county councils and county boroughs, the former would then have to devise a formula for dividing the proceeds amongst the local authorities within their jurisdiction.

To suggest that these difficulties are spurious, on the grounds that Sweden successfully operates a local income tax, does not bear close examination. By reason of the differences in geography and of the greater localisation of industry, the problem of how to divide up the profit of the many business concerns which operate in more than one local authority are not as acute in Sweden as in the United Kingdom.

### BOOK REVIEW

## PALLIATIVES AND PRIVILEGE

By R. J. RENNIE, B.Sc.

"Land and Labour in India" by Daniel and Alice Thorner

Asia Publishing House, London.

THE book consists of a series of articles and papers written in Delhi between 1952 and 1960, which were first published in certain Indian journals. Five primarily historical articles are grouped under "Trends" and these are followed by detailed studies of four statistical reports: Population Census 1951, Census of Landholding, Agricultural Labour Survey and Rural Credit Survey.

The authors emphasise that the structure of society in rural India is essentially the same today as it was a century or so ago in that it is still based on family labour exerted to raise produce from the soil, mainly to meet the family's own food requirements. Agricultural labourers are divided broadly into two distinct divisions — free and bond. While the free labourer is able to reject or accept the terms offered by a prospective employer, the bond labourer is by custom, or compulsion generally incurred through debt, bound by specific obligation to serve the needs of his master, and is unable, if dissatisfied with the bargain, to seek employment elsewhere. Such bond contracts sometimes embrace two or three generations of labourers in one family, who are thus fettered in hopeless bondage, often through a debt which they can never earn enough to repay. The employers, in such cases, still common in many of the States in India, are generally considerable landowners. Various enactments embodying measures of land reform have to some extent broken up the estates of some of the largest absentee landlords, but the provision allowing retention of ownership of land under cultivation by the owner has enabled many, whose incomes are derived from rents and "share-cropping", to

It is not suggested that this list of criticisms directed against a local income tax is a comprehensive one, although it is pretty formidable. Sufficient has been written to show that a local income tax does not have all the attributes required for a good local tax. But the proposal to introduce such a tax stands condemned for a further and more important reason. This type of tax, if operated, would be a further levy on the initiative and enterprise of labour and it would come at a time when this factor of production is already heavily penalised. Far better that the revenue required by the local authorities should be raised by means of a tax on land. Apart from this being warranted on grounds of equity, it would have the additional merit of inducing landholders to put the land to its best use. Among other things, this would provide more land for housing.



retain possession. Throughout the chapter on employer-labourer relationships the stark fact that those who own the land virtually own the lives of the dispossessed is apparent time and time again.

Referring to the century or so between 1750 and 1850, prior to the advent of the British to India, the authors state "So long as the peasants turned over to the local potentate his customary tribute, their right to till the soil and reap the fruits was taken for granted. Local rulers who abused this right were considered oppressive; if they persisted, the peasantry fled to areas where the custom of the land was better respected. As land was still available for settlement and labour was not too cheap, local chiefs had to be careful lest they alienate the villagers." Probably being unaware of the Law of Wages, the authors fail to make the point that labour is never cheap when land is available for settlement.

It was the British who introduced into India the concept of land as a marketable commodity and all the legal paraphernalia common to such transactions in real estate. The opportunity thus presented to acquire ownership of land in satisfaction of debt greatly increased the power of the money-lenders, enabling them to join the ranks of those deriving incomes from the rent of land. The British occupation of India produced another result which worsened the lot of the labourer. Public health measures reduced mortality and increased population to such an extent that the rural population could no longer gain a living for their numbers by working on the land available to them; these unfortunates drifted to the towns, where

their competition for employment depressed the wages paid in industry to the same level of miserable subsistence prevailing in the rural districts. The parallel with conditions in England at the time of the Industrial Revolution is unmistakable. Here again the authors make no comment, probably because they wrote of conditions as they were and largely still are and did not feel any necessity to discuss fundamental causes.

The chapter on the Ford Foundation's "Report on India's Food Crisis and Steps to Meet it," which recommends top priority to food production to avert famine reads like a refutation of the Malthusian Theory, for the authors assert that the Ford team's statistics, and therefore their conclusions, are unsound.

The second half of the book is devoted to careful and well-documented reviews of a number of Government-sponsored censuses and surveys. The conclusion which they reach in the case of each one of these is that the data compiled is *unreliable and any deductions drawn therefrom open to serious doubt*. For instance, 249 millions or roughly 70 per cent. of the Indian people depend for their livelihood on agriculture and the Census of 1951 shows

that 67.2 per cent. of these are "owner-cultivators", 12.7 per cent. "tenant-cultivators" and 18 per cent. labourers. The authors' comment on these figures is "The only thing to wonder at in the midst of these Census-attested statistics is the strength and persistence of the demand in all parts of the country for land reform." Reading these chapters on statistics conveys a vivid impression of the complexity of the employer-employee relationships in the Indian countryside and the extent to which these are entrenched in tradition and of the time which will be required to change them.

It is no disparagement of the book to say that the concluding chapters can be of great interest only to students of the developments in India since it became self-governing. For the student of political economy the most important lesson to be learned from it is the supreme importance of land in the daily life of man and that the form which a society will take and the way in which it will develop or stagnate will depend almost entirely on the system of land tenure adopted. To me the book provides a convincing proof that remedy for the evils of land monopoly does not lie in the creation of a very large number of owners, though the authors never say so.

## RIGHTS OF ACCESS AND LAND VALUES

By W. E. Fox, A.R.I.C.S.

There is a road off Effra Road, Brixton, named Trelawn Road. Many years before I knew it in the 1920s, some houses fronting Effra Road were pulled down to allow Trelawn Road to be cut through. The land was just wide enough to accommodate the road itself and houses on the right hand side. Evidently the developers could not secure the two large leasehold houses, with long back gardens running the whole length of Trelawn Road, which would have enabled them to build on the left side of the road also. So the high brick wall running all down that frontage had to be preserved. The wall occupied a strip of freehold land about 18 ins. wide, effectually barring access to the garden land behind.

Around the year 1924 other developers secured those two large houses with their gardens. When they went into the question of pulling the wall down they found that it did not go with the property they were buying. The wall belonged to the Prudential whose surveyors wanted £1,000 and no nonsense about it. It had been Prudential land that had been used to open up Trelawn Road and which now provided the new frontage, and the surveyors were right to insist upon a substantial figure. I never knew what sum was actually paid as I came on the scene some time afterwards to deal with some of the new houses. Hearsay put it at £1,000. Obviously the strip of land was almost worthless without the wall. It was the *access to the road* that this strip of land provided, that gave it its value.

To give another example — at considerable cost a developer ran a new concrete road across his own land, butting up against the boundaries of gardens belonging to some good residential properties. He erected a post and wire fence against the boundary. The house owners now became concerned to know why they should not build garages opening on to the new road. The developer was willing but wanted his price — or there would be no access. Eventually, many of them came to terms and built the garages but it was clear that without *access to the road*, the garden land was of far less value.

What then is the effect, the *financial* effect, of public authority expenditure?

Basically it concerns the roads. Cleaning, lighting, repairing, policing, constant supervision of drains and sewers, sewage disposal, water supply and storage — each service increasing the burden on the ratepayers as it becomes more widely available. But *access to the roads* gives added value to land and this value is the end product of public expenditure.

Landed properties should be charged with the rates whether they are occupied or unoccupied. The services are generally available in either case and it is the exemption of rates on empty properties that keeps the prices of services so high. Is there any good reason why tenants should pay "other people's rates"?

To sum up: Rate unoccupied land and properties and assess the value on the frontage and total area of the land.

Abolish derating of agricultural land and rate all land equally.

Recognise that the capital asset in land is public property.