

10

A Basis for New Laws

In the course of the last hundred years many attempts have been made to explain the sharing of land, and to legislate for its implementation. Rather less in the public eye have been the attempts to explain that the natural revenue of any nation is the rent of the land they occupy. A formula is required which is relevant to modern conditions. It needs to look to a future in which institutional and fiscal arrangements can liberate people to achieve their fullest potential no matter what the wonderfully worded constitutions they live under may claim about liberty of the individual. Constitutions proclaim high-sounding human rights such as liberty, fraternity, and equality; justice and domestic tranquillity; and so on. But almost everywhere, and certainly in England, freedom is, for the majority of people, freedom to find a master whom they can serve for a wage or salary, and a landlord from whom they can rent or buy a dwelling place. Such is the power of land monopoly. Winston Churchill understood it:

Land differs from all other forms of property. It is quite true that the land monopoly is not the only monopoly which exists, but it is the greatest of monopolies - it is a perpetual

STEALING OUR LAND

monopoly, and it is the mother of all other forms of monopoly. It is quite true that unearned increments in land are not the only form of unearned or undeserved profit which individuals are able to secure, but it is the principal form of unearned increment which are not merely not beneficial, but which are positively detrimental to the general public. Land, which is a necessity of human existence, which is the original source of all wealth, which is strictly limited in extent, which is fixed in geographical position - land, I say, differs from all other forms of property in these primary and fundamental conditions.¹

Those who fail to find a master, or who cannot afford the rent or price required by a landlord, have to be supported by charity, or as is usual in present day Europe, by the state. This has been glossed over by the great modern tendency to use politically correct euphemisms to conceal the truth. *Poor Relief* is now called *Welfare* or *Social Security*, implying that poverty has been abolished. Fifty years ago the standard legal textbook was accurately entitled *The Law of Master and Servant*. Today the truth is glossed by the title *Employment Law* in order to make us believe there are no servants and no masters. But there is no disguising the fact that there are "ghettos" which respectable people are not prepared to enter; and that middle class housing developments are usually built at a distance from the local authority's council estates.

Only Parliament has the power to implement the changes necessary to make the collection of the public revenue conform with natural law. One thing can be done at once to facilitate the collection of land rents. Parliament should

speed up the work of registering title to land. At present about a third of the 22 million land titles in England and Wales are still unregistered. Compulsory registration of the remainder (including, ironically, the Land Registry itself in Lincoln's Inn Fields) needs to be hastened. If the titleholder of unregistered land cannot be traced, then the Crown should be given power, after due advertisement as prescribed by Land Registration Rules, to take possession of that land, and if no claimant to the land gives notice of his claim within a prescribed period of time, to retain it in permanent possession of the Crown.

Further legislation requires a re-examination of current conceptions of property, and its protection by the state: from which would follow an understanding of the natural laws of public revenue. The whole tenor of the history set out in Part II above shows how parliamentary taxation to provide revenue for the Crown has for the last five or six hundred years been based almost entirely upon expediency. Whatever was thought could bear tax, was taxed. The only arguable exceptions are the so-called "health taxes" of recent times to discourage smoking, drinking, gambling, the use of leaded petrol and so on. But all the Crown's revenues should be based on principles of Natural Law which positive law should strive to follow. People should pay to society the value of what they receive from society, which is reflected in the value of the land they occupy. To allow that value to be bought and sold between private individuals is morally wrong. Land is, by natural law, the common property of the community.

These and other principles of natural law were incorporated into a remarkable Bill introduced in the

Legislative Assembly of the Queensland Parliament in 1890 when the distinguished Australian lawyer, Sir Samuel Griffith, was Prime Minister. The Bill was entitled *The Elementary Property Law of Queensland*. The preamble reads: "Whereas it is essential to the good order of every State and the welfare of the people, that all persons should have and enjoy the fruits of their own labour, and to this end it is expedient to declare the natural laws governing the acquisition of private property: be it declared and enacted by the Queen's Most Excellent Majesty" ... etc. "The principle of the Bill," Sir Samuel told Parliament, "is this: That men's remuneration shall be in proportion to the work they do - that is to say, that the products of human labour shall be divided amongst the labourers in proportion to their contribution to the product. That is the main principle of the Bill, and I believe that only by adopting that principle shall we get over the terrible inequalities that exist in the world."²

Clause 15, for example, states that "the right to take advantage of natural forces belongs equally to all members of the community"; Clause 16, that "Land is, by natural law, the common property of the community". Clauses 22 and 24 are to the effect that the net products of labour belong to the persons (defined very widely) who are concerned in the production; and when for the purposes of production land is required, the person who receives rent [for it] is not, by reason only of his permission to use the land, concerned in the production, and is therefore not entitled, by reason only of such permission, to any share of the net products.

The Queensland Bill never passed into Law. Perhaps it

was never meant to. When the States were drawn together to form the Commonwealth in 1901, Griffith became the first Chief Justice presiding over the High Court of Australia. After his retirement in 1919 he published an article³ urging the abolition of what he termed the 'Mastery Rule', whereby the great majority has to obey the command of a small minority. He concluded that if the community at large could be taught to regard the principles of Natural Law, as set out in the Elementary Property Law, as axiomatic, in the same way as they regarded many other rules of right and wrong, the world might at length attain to a 'Fraternity Rule', which would be no more than Christ's command to love thy neighbour as thyself, than which there is no truer democracy. The Bill emanates from a country which has graced the Common Law with a number of legal luminaries, both judicial and academic, and repays study by anyone attempting to follow Natural Law in drafting a statute relating to land tenure. Any radical politician would also find it instructive. A copy of the Bill is annexed in the Appendix (p. 141).

In England at the beginning of the 20th century the land monopoly aroused such public interest that a Liberal government attempted to introduce legislation to bring it to an end. This provoked opposition from the House of Lords that led to a constitutional crisis as a result of which the Lords lost the right of vetoing money Bills. The legislation was finally passed as the Finance Act 1910, but it contained so many complications and concessions, and was so limited in the revenue it might raise that the administration of its provisions proceeded at a slow pace, and was overtaken by the dire emergencies of the first

World War. It was repealed soon after the war ended. The only lasting legacy from this attempt are the speeches of Lloyd George as Chancellor and Winston Churchill as President of the Board of Trade describing and explaining land monopoly.

An attempt to tax land values was included in Philip Snowden's Budget of 1931. But, although passed into law, it was suspended on the formation of a National Government to meet the troubles of the great depression, and was later repealed.

In 1939 the London County Council attempted to introduce a private Bill to base local rates in London on the value of sites. This is the best drafted of the various attempts that have been made to collect ground rent from urban land. But it was rejected as being a taxation measure requiring a Public and not a Private Bill. This was unfortunate, because if passed into law it would have provided a rewarding and instructive pilot scheme on which to base national legislation.

Legislative measures since the Second World War to obtain for the public purse the benefits springing from the development of land can only be described as a disaster. These provisions were contained in the Town and Country Planning Act 1947, the Land Commission Act 1967, the Community Land Act 1975, and the Development Land Tax Act 1976. They were marred by being mixed up with complicated town planning provisions, by vacillating between contradictory meanings of the word 'land', and by diversion from the simple intention of the legislation in order to suppress speculators, and to tax the wealthy. These Acts have been criticized succinctly, forcibly and

with commendable clarity by Mr. V. H. Blundell.⁴ He summarizes the objects: making more land available for use, bringing down land prices, curbing speculative profits arising from the implementation of regional and national plans, enabling local authorities to acquire land cheaply, and collecting for the community those land values which were created by the community. He then sets out concisely a variety of reasons why,

Although the Acts were eventually abolished by political action, this was no more than the *coup de grace* to legislation which was manifestly not achieving the objects for which it was originally introduced.

It needs no argument that our present-day system of taxation is unsatisfactory. Too much is taken in tax. Too much is avoided by those who can afford the assistance of highly paid lawyers and tax consultants. Too much is lost through evasion, through fraud, and through the high cost of collection. The cost in book-keeping and accountancy which the system thrusts upon the taxpayer is a grievous burden, especially in the calculation of VAT on sales, and of PAYE on wages and salaries.

Legislation to collect the Crown's lost ground-rent is most desirable. It needs to be simple. The legislation must hold fast to principle, and make no exceptions in favour of any vested interest. There must be no diversion from the object of the Act, which will be to resume collecting land-rent for the Crown. Any extraneous desire to 'soak the rich', or to relieve the poor, or to thwart speculators, has to be put aside. The sole aim is to achieve justice. The legislation must not get mixed up with town planning,

except to lay down that in assessing land-rent the planning restrictions in force at the time of assessment shall be assumed to be perpetual.

It has to be borne constantly in mind that the announcement of any change in policy at central or local level changes the value of all land that is affected by it. As the policy is carried out so the value goes on changing either up or down according to betterment or detriment of the land affected. It is wrong to allow those detrimentally affected by the changes, and those unjustly enriched by them, to continue in that state for a moment longer than is necessary. It is therefore most important that reassessment of the proper rent is made at intervals frequent enough to keep pace with today's swiftly changing world. With modern technology, computers in particular, this could after a year or two be a reassessment every year. After all, the material for Domesday book was compiled without any such aids within twelve months of the Christmas Council of 1085 when William ordered it.