

PARLIAMENTARY DEBATES

ANOTHER LANDLORD BENEFIT MEASURE

THE LAND DRAINAGE (No. 2) BILL came from the House of Lords and was debated on Second Reading in the House of Commons on 24th June. A notable speech was made by Mr Andrew MacLaren protesting against the iniquitous process of squandering millions to inflate the price of land in the interests of the landowners. We comment on the Bill and the Debate in another column.

The MINISTER OF AGRICULTURE (Dr Addison): This Bill is a Measure of very great importance, and I think it may become, if we use it energetically, an instrument for securing a great national improvement and for providing much employment. It is founded mainly upon the recommendations of a Royal Commission under the chairmanship of Lord Bledisloe upon which men of all parties were represented.

The Treasury will be authorized to make grants to enable the drainage schemes that are approved to be carried out. We recognize that it has to be a generous and an adequate contribution, and that it would be very hard on some of the poorer areas if we were to put in a standard.

The fact that a penny rate in one watershed, that of the Trent, produces £88,000, and in the Romney Marsh only £586, is justification for our way of dealing with the matter.

Lieut.-Colonel HENEAGE: Are those penny rate figures based on annual value or acreage?

Dr ADDISON: They are penny rates for the whole area of the county council and the county borough council levied on the existing rate system. The figures are the yield of a penny rate in the area.

The Bill is exceedingly urgent. It is extraordinarily appropriate just now, because it may become an instrument for the provision of a great volume of employment, and a very useful kind of employment.

Mr BEN RILEY (Labour): As I read the Bill, there is no provision in it whatever for either the local ratepayers or the State, which, combined, will be responsible for the finance for carrying out schemes of drainage resulting in land improvement to receive that enhanced value of the land which is bound to come from these improvements. That is a very deplorable defect in the Bill. The party on these benches has always said that such a policy must be embodied in any legislation under which public money is spent. On the other hand, I would call the attention of the House to the fact that there is a provision in Clause 33 which says that:

"Where injury is sustained by any person by reason of the exercise by a drainage board of any of its powers under this section, the board shall be liable to make full compensation to the injured person, and in case of dispute the amount of the compensation shall be determined in the manner in which disputed compensation for land is required to be determined by the Lands Clauses Acts."

If the public give a benefit to private individuals, why do not the public also have a right to get a recompense? I hope something will be done in Committee in this direction. I do not question that the main purpose of the Bill is to improve agriculture, but it may be overlooked that immense capital value is inevitably going to be given to certain lands as the result of expenditure of money to which the owners will not contribute a single penny piece.

Mr MACLAREN (Labour): There seems to be some confusion as to whether the owners of the land will benefit by the drainage under this Bill. We are going to pay for this by a levy on hereditaments, and I looked in the Bill to see if there were a definition of hereditament, and I could not find one. The words that appear in the Bill are:—

"A drainage board may, at their option, make a drainage rate as either—

"(a) an acreage rate, that is to say, a rate assessed on the basis of acreage as regards agricultural hereditaments, but on the basis of annual value as regards other hereditaments; or"

One is anxious to know what is meant by hereditament here, because agricultural land is not now rated. There is the other alternative of an annual value rate which is "assessed on the basis of annual value as regards all hereditaments."

It is an easy thing to prove who gets the advantage. Supposing that the whole land of England fell into the sea to-morrow, and then some fishy Government promoted a scheme for draining the land and bringing it to the surface again. In the first instance, the owners of the land would lose their property entirely, and the net result of bringing the land to the surface would be to the advantage of the owners. After all, drainage is only a partial process of that kind. Every acre of land drained will be to the advantage of the landowner, and in raising the money to pay for the drainage, it surely should have been one of the objects of this Bill to reverse the de-rating process and definitely to demand that the owners of the land should pay for the advantages accruing from these improvements. A remark was made with regard to the purifying of rivers. What would happen to the riparian owners by that? The Bill as drawn does not specify that the riparian landowners as such shall contribute as such towards the expenses of the Bill.

Major HILLS: I cannot say what will happen in future, but I would ask the hon. Gentleman whether he appreciates the fact that when burdens were taken off the land, such as rates, all the benefit went to the occupier, and not to the owner of the land.

Mr MACLAREN: I should be most anxious to follow that argument, but I am afraid that I should be ruled out of order. In passing, however, let me say that the late Lord Chaplin, who was no mean student of these things, said that when rates were high, rents fell, and that a relief of rates increased the advantage to the landlord. I will not pursue that, except to say that if I were an owner of land, and my tenants paid no rates, I would see that the rent included the rates which they used to pay and I would be only a good business landlord in doing it.

The Government are guaranteeing money in the belief that it will give work to the unemployed. The Government will have to advance the money, and the people who own property other than the land will have to pay the rates. The burdens will fall upon the owners of improvements in the form of buildings on the land. The landowner will have his land drained and his rivers purified, and if the sea is threatening to invade his land, even that will be held back. Everything will be done for him by the good, kind, obliging ratepayer, and by a good, kind, obliging Government, and yet we are being told here to-night that the landowner will not get much out of this Bill. The landowner will be only too pleased to have his land drained—he will not impede the process; and we can purify his rivers for him; the only matter in which he does not want to be embarrassed is in the payment of rates.

Drain the land! Purify the rivers! As an hon. Friend near me says, "Drain your pockets." An hon. Member has said that we want to get rid of the water on the land. My suggestion is that we should get the landlords off the land first and deal with the water afterwards. In North Staffordshire we have land which is waterlogged as the result of subsidence in the mining areas. For years we have been trying to promote a scheme for draining the land by getting mining companies to join in a pumping scheme, but nothing could be done. I understand that under this Bill much of that land will be drained, and then land that is now let for nothing at all will rise to £4 or £5 an acre. That is part and parcel of the system that has gone on in this House far too long. We put forward the plea that we are finding work for the unemployed, but I am glad to say that it is noticed by some pious critics of the Bill that very little employment will come out of it.

If the Bill is undertaken at all, from £30,000,000 to

£40,000,000 of money will be poured into the scheme, giving work to very few people indeed, but enhancing the selling value of a great deal of the land of this country. And let it be emphasized that the full cost and charge of the enterprise is to fall upon the ratepayers and upon the State. Under the De-Rating Act the landowners are saved from paying their contributions in those very areas where their land will be getting this advantage from the drainage operations. I enter my protest against this thing. The cost ought to be laid exactly at the door of those who gain by every penny we spend on drainage.

There are ways and means of getting land drainage carried through other than going on with this iniquitous process—not merely in connection with land drainage, but road making and every other improvement brought in under the guise of giving work to the unemployed—of squandering millions of the taxpayers' money and putting millions into the value of land which will ultimately be reaped by the landowners of the country.

Mr. KEDWARD (Liberal): I am delighted that all parties in the House, with the exception of the small party represented by the hon. Member for Burslem (Mr MacLaren), welcome the Bill. The hon. Member for Burslem made a speech which was just about 20 years out of date.

Mr CHARLES WILLIAMS: Only 20?

Mr KEDWARD: Well, we will say 50. He seems to assume that the whole of the land of this country is in the ownership of rapacious landlords who do nothing but pursue the community and harry their tenants.

Mr MACLAREN: I am a most devoted student of the speeches of the hon. Member's leader, the right hon. Member for Carnarvon Boroughs (Mr Lloyd George).

Mr KEDWARD: That confirms the suspicion that I had. Evidently the hon. Member has been reading my right hon. Friend's pre-War speeches and is entirely oblivious of what has happened since the War.

Rear-Admiral BEAMISH (Conservative): There is one thing that I would say to the hon. Member for Burslem (Mr MacLaren) who spoke on his favourite subject, as he always does, with ability and in some respects in a most convincing way. May I point out to him that in regard to land values, taking the question of pollution alone, great harm has been done to agricultural land and other land because the State and the local authorities have failed to prevent the pollution of rivers and streams running through the land.

The PARLIAMENTARY SECRETARY to the BOARD OF TRADE (Mr. W. R. Smith): My hon. Friend the Member for Dewsbury (Mr. B. Riley) and my hon. Friend the Member for Burslem (Mr. MacLaren) asked what was going to happen in regard to the improved values of land which would follow from the work which it is proposed to carry out under the Bill and the grants which it is proposed to make. There is some slight provision in the Bill to meet their point. Clause 72 gives power to public authorities to acquire land which has been treated under the proposals of the Bill and the value which the land possessed before the drainage works were carried out is to be the basis on which it is to be acquired.

I wish it had been possible to have the land belonging to the community before we began spending public money upon it, but I would remind the House that the Chancellor of the Exchequer has promised us a Bill to deal with the taxation of land values, and it may be that when that Bill is placed on the Statute Book, we shall be able to recover much of the improved values that will accrue from the application of this Bill. It is a most important point, to which the House is entitled to give the closest attention, because undoubtedly in many areas the increased value that will come to the land may be very substantial. If as the result of the working of this Bill, land no longer becomes flooded, land on the banks of the main rivers may develop a building site value, whereas to-day it has relatively no value at all, and it would be most unfortunate, to put it on no higher basis, if that improved value, which accrued merely as a result of State action and very largely because of the expenditure of public money, was passed into the hands of private individuals.

LIVERPOOL

A Free Trade Crusade

A campaign of meetings designed to bring before the Liverpool people the truth about Protection, Safeguarding and Empire Free Trade has been undertaken by the Liverpool League for the Taxation of Land Values. Mention of this campaign has appeared in the news columns of the *Liverpool Post*; and the *Liverpool Echo* of 17th June gave a picture of officers and members of the League at their shop, 6, North John Street, who had met to discuss the plan of operations. They are in earnest and the case for real Free Trade will be faithfully dealt with at numerous street corners from a non-Party platform.

A special leaflet has been published as a principal feature of the crusade, from which we quote:—

WHAT "SAFEGUARDING" MEANS FOR LIVERPOOL:—

FALLING TRADE,
LESS SHIPPING IN THE DOCKS,
STILL MORE UNEMPLOYMENT,
HIGHER PRICES FOR ALL YOU BUY, and thus
LOWER WAGES.

TO TAX TRADE IS TO LESSEN AND PREVENT TRADE. To stop imports with a tariff is to stop exports to exactly the same extent. If you want to make things even worse than they are; if you want to lose your job, to ruin your business, to make work even harder to get, merely for the sake of bolstering up selected industries so as to enable their proprietors to fleece you in higher prices—then vote for this poisonous thing re-christened "Safeguarding" and "Empire Free Trade." But be warned: It is well-nigh impossible to get rid of Protection once it is fairly begun. It grows and grows, like a cancer. It is corrupting government all over the world, and placing still greater power and wealth in the hands of the unjustly privileged few, and still more grievous burdens on the backs of the people.

HERE IS THE TRUTH. Do you want to reduce costs so that British products will flow out over the world as never before? Do you want to sweep away UNEMPLOYMENT AND POVERTY FOR EVER?—TO RAISE WAGES? Then instead of ADDING TO TRADE TAXATION, you must begin to ABOLISH IT ALTOGETHER, AND TO FORCE THE IMMENSE UNTAPPED NATURAL RESOURCES OF THIS COUNTRY everywhere into CHEAP availability for use by TAXING AND RATING THE PRIVATELY APPROPRIATED VALUE OF ALL LAND, WHETHER USED OR UNUSED. THIS LAND VALUE TAX CANNOT BE "PASSED ON," BUT MUST BE PAID BY THE SO-CALLED "OWNERS" OF THIS COUNTRY, since its pressing of idle land on offer will bring down, not increase, land prices.

UNTAX TRADE AND THE PEOPLE AND TAX LAND VALUES.

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We shall be pleased later on to give space to the story of this adventure and meanwhile congratulate our Liverpool co-workers on their enterprise.

A special article entitled "An Explanation of Economic Rent," illustrated by diagrams, was contributed by Mr E. J. Brierley to the June issue of the *Fairfield Review* organ of the Fairfield (Liverpool) Labour Party. The article has since been published at the instance of Mr Brierley and a Liverpool colleague as a leaflet (price 1d.) for general circulation. It carries also a notice of the Henry George Foundation Essay Competition with invitation to apply for particulars at 11, Tothill Street, London, S.W.1.