

LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

Sixty-first Year—Nos. 719—720.

4 Great Smith Street, London, S.W. 1.

April—May, 1954. Price 1s.

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MR. BUTLER'S BUDGET: CARRY-ON AND CARRY-OFF

A year ago Mr. R. A. Butler used the euphemistic adjective "incentive" to describe his Budget proposals for collecting approximately one-third of the national income in taxation. This year he abandoned that fiction, coining the more modest and accurate adjective "carry-on" to describe his proposals for "carrying-off" from industry, trade and labour the record sum of £4,523 million, an increase of £155 million over the amount collected during the previous twelve months. His proposals were, he said, "conceived as reaffirming our basic policies, rather than marking any major change of emphasis or direction." Put in other words, the 1954 Budget proposals are designed, broadly speaking, to maintain the existing balance between expenditure on warfare and welfare, on doles and debt, and to hold the ring between privilege and poverty. The public land-value revenue is to continue to flow into the banking accounts of private interests, and despite the chorus of protests by local authorities and municipal organizations agriculture and industry are to continue to enjoy local taxation exemptions at the expense of the general body of ratepayers.

The Chancellor's Only "Gift"

Since the law requires that an annual Finance Act must be passed to levy taxes for the period of one financial year the Chancellor has, in effect, recommended that new taxes should be imposed on industry, trade, incomes from all sources, imports, and goods and services of all kinds. With few exceptions he proposed that these should be levied at the rates which applied during the year 1953-54. Only one tax is to be imposed at a higher rate; the Customs duty on chicory, and this the Chancellor explained was not dictated by revenue considerations, but is designed to give the support and protection to growers in this country which, he alleged, had been shown to be necessary. The identity of those who had shown this "necessity" was not revealed; the ultimate destiny of this, the Chancellor's only "gift," may be safely predicted—it will raise certain agricultural land values to the advantage of the landed interest.

In the time-hallowed language inaccurately employed by Chancellors, Mr. Butler claimed that he had decided "to make some reductions" in the Entertainments Duty levied on admissions to cinemas, a "relief" which would "cost the Exchequer" about £3½ million in a full year. Tax would be imposed at rates ranging from ½d. to 1½d. less than obtained last year. Patrons of other entertain-

ments, notably sport and the live theatre, would contribute ½d. less tax.

Concession to Special Interests

A system of investment allowances is to be introduced to replace, with a few exceptions, the existing initial allowances to encourage industrialists and agriculturists to invest in the new plant, buildings and machinery needed to increase production and efficiency, investment which, but for the incidence of taxation, would be made as a matter of course.

The Chancellor proposed a lessening of the severity with which Estate Duty bears on business assets. Where industrial premises or plant and machinery are used for the purposes of a trade carried on by the deceased, or by the deceased's company, the Estate Duty on those assets would be reduced by 45 per cent, a relief which hitherto had been granted in respect of agricultural land.

Most unreasonably, these allowances are denied to merchants, wholesalers and shopkeepers whose capital expenses and investments are equally used for purposes of trade. Why should this be?

On the other hand, the Budget contained provisions for countering a device whereby company reconstruction has been used to obtain taxation advantages, the amendment of an anomaly inherent in the Estate Duty, and the continuation for a further five years of the protectionist Key Industry Duty which would otherwise have come to an end next August.

Post-War Credits

Repayment of the outstanding post-war credits, now amounting to £564 million and widely spread throughout the community, is to be slightly accelerated under a new arrangement whereby if a holder dies under the age of 65, or 60 if a woman, the credits will be paid to a beneficiary under his will or intestacy when the deceased would have reached the qualifying age. This proposal will add £19 million in the first year and £2 million a year thereafter, to the payments of £17 million a year which are being made at present.

Social Reform Misunderstood

The Chancellor confessed that he was "not unmindful" of the many other claims on the Exchequer which the Government would wish in equity, to satisfy and he referred specifically to the problems of the old people, but he could not bring his conscience to sanction further advances in

social reform, involving increases in public expenditure, until the growth of existing commitments had been brought in hand. This is to ignore the true nature of social reform. It is not comprised of gifts and doles, and subsidies, but of the opportunity to produce and to exchange, unhampered by Government restrictions and private monopolies. The Chancellor could have benefited immensely the aged pensioners, the war-disabled and the lowest paid section of the community by sweeping away the tariff and purchase taxes which bear with disproportionate severity upon their meagre incomes and had this been accompanied by even a moderate tax on the economic rent of all land the Exchequer need not have been one penny the poorer.

Diffusing the Benefits

Such a step in the direction of the economic freedom to which the Government has paid frequent lip service would have diffused the benefits throughout society, stimulating industry and trade, raising wages and increasing investment, and so reducing the cost of government and increasing the yield from existing taxes that further reductions could readily be made. A few illustrations will suffice:—The cheapening of building sites and materials which land value taxation and free trade guarantee would have enabled tens of thousands of people to build their own homes without Exchequer assistance; similarly Council houses would have cost less and the Exchequer subsidies to local authorities (raised from £70 million to £80 for the new financial year) could have been drastically reduced without reducing standards or raising rents. In the same way hospitals, schools, aerodromes, etc., would have been less costly. The list could be extended indefinitely if that were necessary.

Wherever enterprise is prevented or arrested by the incidence of existing taxation and the operation of monopoly it would have been to some extent liberated if the Chancellor had been able to "bring his conscience" to sanction even a small advance in social reform of the kind here suggested.

The Chancellor's Choice

The Budget proposals are harmful because, as we have remarked, they have been fashioned for the wrong purpose. Every Chancellor has at his command a potent instrument which may be used for the common weal or for the maintenance of privilege and poverty. His is the choice as to how it is to be used, a choice which has been graphically described by Professor Ely in his book *Taxation in American States and Cities*:

"Taxation may create monopolies, or it may prevent them; it may diffuse wealth, or it may concentrate it; it may promote liberty and equality of rights, or it may tend to the establishment of tyranny and despotism; it may be used to bring about reforms, or it may be so laid as to aggravate existing grievances and foster hatred and dissension among classes; taxation may be so controlled by the skilful hand as to give free scope to every opportunity for the creation of wealth or for the advancement of all true interests of States and cities, or it may be so shaped by ignoramuses as to place a dead weight on a community in the race for industrial supremacy."

For the third consecutive year Mr. Butler has followed the example of his timorous predecessors and has turned the keen-edged tax weapon against the useful, the weak, the poor and the aged members of the community.

Co-operators and State Land Purchase

The annual conference of the Co-operative Party meeting at Blackpool, at Easter, adopted the land nationalization proposals contained in the national committee's policy statement *Public Ownership of Land* which was reviewed in our previous issue.

Introducing the policy statement, Ald. A. Ballard remarked (*Co-operative News* report, April 24) that "the taxation of land values was not an alternative to public ownership. It has not been discussed as a means of raising revenue. When purchased, agricultural land would come under the county agricultural committees, while urban land would come under the rating authority acting for the State. Seconding the adoption of the report, Mr. W. Buchanan, Clydebank, regretted that in recent years the socialist movement had not laid the same emphasis on public ownership of the land as it did at one time. Many times when co-operative societies or local authorities were desperately in need of a piece of land to carry out schemes of benefit to working people, then the price of land went up to prohibitive levels. Mr. E. P. Bell, London, declared that the proposals in the report were unsuitable and would have undesirable consequences. London agreed on the social ownership of land, but did not agree with the financial implications. He suggested that the land should be taken over a bit at a time. The community should buy land as it needed it. The methods which had been used to transform the Scottish Highlands could be used to effect similar improvements to other areas."

In the course of his reply to the debate, Ald. Ballard said that if the London Political Committee could explain how to effect the take-over of land without compensation or confiscation he would like to have the details. By that remark Ald. Ballard exposed the folly and iniquity of the Party's proposals and, in effect, underlined once again the paramount need for the taxation and rating of land values. Those measures, as the Co-operative Party has frequently reaffirmed in past Conference resolutions, by making possible a reduction in, and remission of, existing taxation, by increasing the market supply of land, and by encouraging its best use and stimulating enterprise would secure the basis of the "Co-operative Commonwealth" which Co-operators seek to promote.

Land Values at a Tory Conference

At the annual meeting of the National Union of Conservative and Unionist Associations held in Westminster, March 18 (*Manchester Guardian* report), Mr. J. L. Bott, of the Carshalton and Banstead Division, submitted successfully a motion calling for an inquiry into local government finance. He said that the Labour Party's proposals for re-rating and taxation of site values could lead to a 3s. reduction in the rates over most of the country and this might be an important point at the next general election.

Replying to the debate, Mr. Harold Macmillan, the Minister of Housing and Local Government, said there were many things in local government structure and finance which needed looking into. A good many things had been brought into legislation which changed the original conception of local government.

"It is obvious that a system so mutilated and so unbalanced is one that needs considerable attention," he said. "We are working on plans in the field of local government which I hope to bring forward in due course, I don't think I can throw the responsibility on the Govern-

ment can throw the responsibility on to commissions of inquiry, however distinguished, or on expert bodies, however expert. I think we have got to make up our minds and make our own proposals."

Indecisive Report on Kenya

The Report (Cmd. 9081) of the Parliamentary Delegation of three Conservative and three Labour Members who visited Kenya in January at the invitation of the Colonial Secretary contains a number of recommendations designed to deal with the immediate problems confronting the Colony and to advance the future well-being of its citizens. Important among the latter are those for African participation in government, for removing discriminatory legislation as an essential first step towards the elimination of the "colour bar," and for increased educational facilities. The necessity and desirability of these reforms and of others which the Delegation recommends is not disputed but they are less compelling and less fundamental than the solution of the dominating issue of "land hunger."

Aware of the problem the Delegation hesitate to offer any radical solution. Inhibited by the presence of the Royal Commission and, no doubt, by a desire to achieve a unanimous report, the signatories confine themselves to generalities and to innocuous superficialities, expressly reserving their "individual positions in this matter." Thus they regard as "the most important thing" the recognition of the land question as an agrarian problem and its removal from the political sphere. A social problem does not cease to exist nor does it solve itself because it is regarded with blind eyes; the burning political issue of the vast estates of tens of thousands of acres in the possession of a handful of European settlers will remain a source of discontent and danger to the stability of the Colony whether it be ignored or be considered an "agrarian problem" as suggested in this Report. The serious over-population in some African areas, to which the Delegation draw attention, which prevents the land from supporting the people save at a level of poverty, is the natural complement of the latifundia they ignore.

Correct Prescription Nearly Offered

An expanding source of revenue which it is claimed would be remunerative to the Government and fair to the governed is recommended by the Delegation. The taxation of land values would satisfy both these requirements and, what is perhaps even more important, would bring into full, productive use the idle and poorly developed land mentioned in the Report. However, nothing so radical is proposed although one of the signatories, the Rt. Hon. A. G. Bottomley, the Labour Member for Rochester and Chatham, in *Reynold's News*, February 28, wrote as though he and some, at least, of his colleagues considered this the right course to take. Instead "a tax on land and its products" is officially recommended. Thus is ignored the ample evidence of the unjust incidence and the repressive effects of taxes levied on labour products (or 'land products,' for the two terms are synonymous) and the encouragement they afford to the speculative withholding of land from use. Yet the authors of this Report represent such taxation as a beneficial consequence of the cadastral survey of Kenya which they recommend should be undertaken, and which would make possible a move towards "a more flexible land policy" and "the utilization under suitable safeguards of undeveloped areas by competent farmers of whatever race."

The Delegation declare that the goal in Kenya should be the establishment of "a multi-racial society in which the rights of all men are safeguarded, and not the domination of one race by another, or of the whole country by and for one race." It is to be regretted that in neglecting to advocate the taxation of land values which alone would recognize and secure the equal rights of all to use and share in the value of the land, the Delegation have missed an opportunity to advance this ideal.

Welfare Housing Anomalies

At the seventieth annual general meeting of the Co-operative Permanent Building Society held in London, February 20th, Mr. Harry L. Score, in the course of his presidential address, said: "Every penny that goes into building societies for use in financing house purchase is relieving the Government of the necessity of providing capital monies for local authorities to build houses for letting or to make loans to purchasers under the Small Dwellings Acquisition Acts.

"Not only does an increase in the number of houses built for owner-occupation reduce the Government's capital commitments, but, as is by now well known, there is also a considerable economy in housing subsidies. It is not always appreciated, however, just how big those subsidies can be, especially in our large cities. The subsidy of a single dwelling house is now £35 12s. per annum for 60 years, but where flats are built on expensive sites the annual grant is considerably more. Where, as happens in the London region, flats are erected on land valued at about £10,000 per acre, the annual subsidy amounts to £96 19s. per annum for each flat and on more expensive sites the subsidies may amount to as much as £120 7s. per annum. If I can put it another way, it is that a flat in a block with lifts, on land at £10,000 an acre, draws a subsidy equal to a capital value of £2,094.

"Altogether some 250,000 houses and flats were built by local authorities during 1953. In respect of each of these dwellings the taxpayer and the ratepayer were committed to at least £35 a year for each of the next 60 years. For whose benefit are these sums applied? The truth is that they are applied indiscriminately, and irrespective of financial need, to those to whom local authority dwellings are allotted. We have now reached the curious position (which no political party can seriously defend) where the lower paid weekly wage earner is not infrequently helping (through rate charges and indirect taxation) to pay the rent of someone receiving £1,000, £1,500, or in isolated cases as much as £3,000 per annum. Strong feeling is being expressed in particular about the increasing rates burden.

"In 1938 the number of houses ranking for subsidies was less than 100,000 per annum. The time has now come to face this problem of costs far more resolutely than has been done up to now. The solution is to encourage home-ownership to a point where at least 200,000 houses per annum are being built for owner-occupiers."

"Bad taxation is as certain to produce bad government and bad social conditions as is bad food to produce indigestion and decay in the human body. And, as no medicine, in the long run, can supply the place of good food, so no other social reforms can ever bring social health so long as unjust and unscientific forms of taxation are continued."—THOMAS G. SHEARMAN, *National Taxation*.

LAND & LIBERTY

Published by the Land & Liberty Press, Ltd., for the Proprietors, the United Committee for the Taxation of Land Values, Ltd.

Sixty-first Year.

Established June, 1894.

By Post 10s. per annum.

Editor: A. W. MADSEN.

Assistant Editors: V. H. BLUNDELL and P. R. STUBBINGS.

4 GREAT SMITH STREET, LONDON, S.W.1.

Telegrams:
Eulav, Parl, London.

Telephone:
Abbey 6665.

APRIL—MAY, 1954.

TASK AND DUTY OF THE PLANNERS

The Town and Country Planning Bill, which was given Second Reading on March 15, marks the second stage in the unscrambling process resulting from the decision of the Government to revise drastically the financial provisions of the 1947 Town and Country Planning Act. Reasons for this action were fully explained in the White Paper Cmd 8699 (price 6d.) which was issued in November, 1952. The present Bill follows on the amending Act of 1953 which abolished the development charge and suspended the pay-out of the 300 million pound landlord-compensation fund which had been due to take place not later than July 1, 1953. The consequence is the need for building up a whole set of new arrangements for satisfying the claims to compensation, as established by the 1947 Act, and for refunding in hosts of cases the development charges already paid; or the latter are balanced against the former, all depending upon this or that circumstance or contingency.

The new Bill is a maze of provisions dealing with many intricate and baffling problems, such as the reparation under stated conditions to be made to those who sold land at prices determined by the restrictions of the 1947 Act, the division of compensation claims where land has since been subdivided, the tracing of those persons who have bought claims from the claim-holders; furthermore the rules and regulations that are to govern the financial aspects of future planning operations and the compulsory purchase of land by local authorities. To cover all that ground has required no fewer than 73 clauses and ten supplementary schedules. The Bill contains no amendments of the planning provisions of the 1947 Act; it deals only with the financial.

It may help to an understanding if we go back upon and look at the financial provisions of the 1947 Act. They established a State monopoly in the right to develop land for building purposes or to make any material change in the use of land and premises. The State thus nationalized and became proprietor of what was described as the "development value" of land, that being the difference between what land would sell for if the Act had not been passed and what it would sell for subject to prohibition against any development, as development is defined in the Act. The individual landholders, retaining in all other respects their ordinary dominion over the land, were left in possession of what was described as the "existing use" value of the land, namely what it would fetch in the open market if it were condemned by law perpetually to remain in its existing state of use—a most

arbitrary conception and surely a stiff headache for any valuer. Incidentally the sponsors of the Act imagined that they had thereby "stabilized" land prices and put a stopper on speculation, but it was soon discovered that the best laid plans of mice and men gang aft agley. Would-be developers found to their cost that the speculation in the price of land easily ignored those legislative notions.

To compensate the landholders for that "development value" which had been monopolized by the State and of which they had been deprived, the sum of £300 millions of public money was to be placed at disposal. This sum, with accrued interest as from July 1, 1948, was to be shared out amongst all who made the claim and had it substantiated that their land had been depreciated in value by the operation of the Act. All those "development values" were valued and, with the exclusion of small sums, the total came to about £350,000,000. These claims are now "established" and the State is committed in regard to them. The 1947 Act would have doled out the whole of the £300 million fund, pro rata to the amount of the established claim in each case and many would have received share who had no intention whatever of developing their land. The amending Bill does three things. It avoids the payment of such unconditional gifts. It will pay the claims only where there is proof of "loss sustained" through planning restrictions. These claims it will pay in full instead of on the pro rata scale. Thus some will get nothing of what they had banked upon while others will get more than they had expected. On balance there may be some saving in the draw upon public funds—not that this mitigates in principle the scandal of any payment whatever being made to landed interests for a value they have done nothing to produce, a value that belongs rightly in the common treasury.

The other main financial feature of the 1947 Act was the "development charge." The State, as explained, had become the monopolist of the right to develop land beyond its existing state of use. Permission to develop had to be bought from the State. The payment took the form of this charge, the amount of which was determined by a more or less arbitrary assessment resulting from what could only be guess-work on the part of the valuer, so tenuous and so artificial were the conceptions involved. What is the value of this property, choosing any, as it stands and must stand, all alterations forbidden? By how much will its value be increased if permission is given to erect or enlarge this or that building or to make some material change in the use of the premises? Solution of that problem could only be a dictate, the grievances against which kept growing in volume. Four years' experience, and the story is well told in that White Paper Cmd 8699, proved how well named the mischievous thing was—a development charge, a charge on development, delaying or preventing development, since it fell only when and as development was contemplated and in relation to its extent. The time had come to abolish the charge, and the Act of 1953 stopped all levy of it as from November 18, 1952.

The rent of land, its value apart from the value of man-made improvements, is the rightful property of the people as a whole. The wanton idea underlying all this legislation is that the land belongs to a section called landowners whose right to appropriate its rent must be acknowledged and safeguarded by the State. This is the language of the law: the occupation and use of land may only be had if the would-be user, either in his individual or his corporate capacity, purchases the right from a fellow-

being already in possession. Society to-day is based upon that monstrous injustice, its ravages to be seen on every hand in the overcrowding and slumdom which the planners, false observers and false prophets, attribute to anything but the true cause. To them bad planning in the past has been responsible, and in their conceit there would have been no slums, no ragged or distorted or shocking development had they been at the helm fifty or a hundred and fifty years ago. They cannot or will not or, lacking the courage, dare not look at the core of the problem which was and is, and will be (until landlord influence is expelled), the private appropriation of the rent of land. Blotted from their vision, or with their eyes deliberately shut to it, is the restrictive effect of existing taxation, which is imposed on the work of man's hands because the natural source of revenue has been surrendered by State and municipality to the private interest. They would plan or zone this or that neighbourhood saying, for example, "here shall houses be"—excellent plan, on paper, but destined like most of those plans to remain at the paper stage because of the failure, even before pen touches paper, to see to the removal of the obstacles that stand in the way of achievement: the price of land and the burden of rates on houses. Instead of demanding removal of those obstacles, they try to overcome them by resort to heavy subsidies causing new tax burdens that prevent far more building than what is thus fostered into being. The things seen are as nothing to the things unseen. The lesson was not learned. On the contrary the Labour Party, or its lunatic fringe, gave us that 1947 Act with its development charge aggravating the evils of the present rating system, and with its indefensible booty to landlordism by way of compensation for the loss of so-called development rights, plus the engaging of untold millions for the public purchase of land, paying these prices which are wholly out of relation to any assessment for local taxation.

The heritage is perfectly acceptable to the Conservative Party. The landowner must be paid his price. No one could be more outspoken in that regard than the Minister, Mr. Macmillan himself: "The Government has no intention whatever of subordinating the proper use of land to the need for budgetary economy." Let the taxpayers pay, and fill the cup to the brim; such is the word of the House of Have.

The State monopoly of development values is ended and private interests are given the free run of them. It is not, however, a desperate situation. The outlook is not so bad; for as long as those financial provisions of the 1947 Act persisted much difficulty would attend the application of the taxation and rating of land values. But now the field is clear for that policy, as it has not been, and the arguments for it are more powerful than ever.

The present Bill accepts the commitments to the holders of established claims to development value, but it modifies them and spreads the payments over a period. The Minister appears to think that the eventual sum total will be "infinitely less money" than was provided by the 1947 Act. He made no estimate nor could he hazard a guess. Nevertheless the administrators of this new legislation are faced with an appalling task in squaring the accounts. A different dish is provided. And seated at the table are all those who with larger ladles or smaller spoons are privileged to sup the soup of this landlord compensation, be it that the fare is not quite so plentiful as what was first cooked in the Labour Government's kitchen.

A. W. M.

RECENT LAND SALES

Lord Street, Liverpool

The *Estates Gazette*, February 6, reported the sale of 72-78 Lord Street, Liverpool, the vacant site next to the corner of Paradise Street. The site has been acquired by a development company who intend to erect shops with offices above. The price realized was in excess of £100 per square yard—approximately £500,000 per acre—and is believed to be the highest obtained since the war for any of the sites in that area. It was materially in excess of the after-damage value. The vendors were Stonier, Ltd., traders from that position before the blitz.

Freehold of Frascati's Restaurant Sold

The London correspondence column of the *Manchester Guardian*, March 27, reported that "Frascati's, the gold-and-plush Oxford Street Rendezvous of the smart Edwardian diner-out, is closing tomorrow after a run of sixty-two years . . . Kings, princes, statesmen, celebrities of the theatre, music-hall, films and sport dined at this well-run restaurant . . . The freehold was bought in April last year for £637,000 by an unknown buyer, who turns out to be Mr. Samuels, the property-owner who was concerned in the Savoy bid. As he is closing the restaurant, presumably he intends either to pull it down to rebuild or to convert it into shops or offices."

Educational Foundation Sells Building Land

By order of the Governors of the Whitgift Educational Foundation, and with the sanction of the Minister of Education, Messrs. Harold Williams & Partners (80, High Street, Croydon) submitted to auction on March 16 approximately 13.2 acres of freehold building land forming part of the Fox Farm Estate, with frontages of about 2,595 feet to Ewhurst Avenue and access to Upper Selsdon Road, Sanderstead, Surrey. The land is available for the erection of 68 detached houses and was disposed of at the auction at a figure of £32,000.—*Estates Gazette*.

Durham Municipal Purchase

The *Municipal Journal*, November 13, reported that Durham City Corporation had decided to buy a 237-acre farm at Framwell Gate Moor for £20,000. It plans to use the land for the development of houses, shops and civic buildings.

Duke of Bedford's Estates for Sale

Instructions have been given to sell by auction this summer two agricultural estates to help to meet duties payable after the death of the 12th Duke of Bedford last October. They are the Great Maytham estate in Kent (2,824 acres; rent roll £6,675) and the Chenies estate in Buckinghamshire (1,681 acres; rent roll £4,380). According to a *Daily Telegraph* report, March 31, these two estates are expected to realize about £400,000. No decision has yet been taken regarding the late Duke's other land in Bedfordshire, Devon and Dorset, or his extensive London estate. His property has been valued at more than £5 million.

9th INTERNATIONAL CONFERENCE—1955

The Ninth International Conference of Members of the International Union for Land Value Taxation and Free Trade, which all our readers are invited to join, will be held in

ST. ANDREW'S, 15th to 20th AUGUST, 1955

The Conference meets in the United Colleges Hall of the University. Members will be accommodated in the well-appointed University Residence Halls.

The University City of St. Andrew's has a world-wide fame. Situated on the coast it is an ideal holiday resort. It is within easy distance of Edinburgh. The date of the Conference is well chosen as it immediately precedes the opening of the annual Edinburgh Festival.

For all particulars as to Conference terms and fees, cost of residence and travel arrangements, write to the International Union, 4 Great Smith Street, London, S.W.1.

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INTERNATIONAL UNION NOTES AND NEWS

SOUTH AUSTRALIA: E. J. CRAIGIE DEFEATS OPPONENTS—GERMANY: DR. PFANNSCHMIDT'S BOOK—HOLLAND: ECONOMIC STUDY CLASSES PROMOTED—SPAIN, ITALY, NORWAY AND NEW ZEALAND: SUCCESSFUL PRESS PROPAGANDA FOR THE PHILOSOPHY AND PRACTICAL PROPOSALS ADVOCATED BY THE UNION—PAKISTAN: REPORT FROM OUR RESIDENT CORRESPONDENT—UNITED STATES AND CANADA: DR. VIGGO STARCKE'S ENGAGEMENTS.

Triumph and a Welcome

South Australian opponents of land value rating constituting themselves as a "Municipal Association" and led by Messrs. Shephard, Burnell and Lewis have had to realize that their agitation has collapsed. They had striven for an amendment in the local government legislation whereby it would be mandatory on all local authorities to levy their rates on a composite basis, that is on the capital value of land and buildings taken together. This would have meant that the option allowed to local authorities (and exercised by many of them) to levy rates on the value of the land alone, exempting all buildings and improvements, would be abolished and all local authorities now rating on land values would be compelled to abandon the system so favoured by them.

The agitation of the "Municipal Association" was successfully countered by the vigilant action taken by Mr. E. J. Craigie. The Association was canvassing the support of the 143 councils concerned. To all of those bodies and to the members thereof Mr. Craigie sent his circulars branding the Association's proposals and upholding the principles and practice of land value rating.

In the result, the response to the appeal by the Shephard-Burnell-Lewis "Municipal Association" was as follows: In favour there were 8 municipalities and 18 district councils, 26 in all; against, there were 28 municipalities and 57 district councils, 85 in all; not taking the trouble to reply were 32 councils. This is the third time that the Association's proposals have been rejected and the fourth time that Mr. Craigie and his friends contacted the councils to oppose it. The campaign has been an arduous one and it is good to know that all the work entailed has not been in vain.

It is somewhat significant that this hostile Association has now turned in its traces. It is admitted with regret that "due to an earlier oversight" the composite method of assessment was not made optional to the councils, a factor that "undoubtedly affected" their replies! An audacious post-mortem avowal, since the chief speakers, Shephard and Burnell and Lewis, have consistently from all their platforms declared that their composite system would be mandatory and that land-value rating would have to cease.

Furthermore the Association now proclaims that it does not desire to interfere with the councils that have elected to rate on the (capital) value of land apart from improvements. As for the old "annual value" system (of rating land and buildings together) which elsewhere still persists, the Association is impressed by the opinion of many councils rating under that system that "vacant building blocks in their areas do not contribute an equitable amount to local government revenue"; and it is actually prepared to submit an amendment to the law, towards rectifying that state of affairs. All this indicates that the Association has decided to throw the towel into the ring, and the effort to abolish land-value rating is OFF.

The Local Authorities in South Australia that levy their rates on land values, by virtue of the option available under the law, include eight Adelaide metropolitan

municipalities (although not Adelaide City itself), ten country municipalities are nine country district councils.

In prosecution of the campaign to bring other local authorities "into the fold" these are some of Mr. Craigie's recent activities: On September 17 he addressed the annual meeting of the Mid-North Local Government Association at Riverton, with 50 delegates present from about 24 district councils in the area. On February 4 he went to Clare, 90 miles from Adelaide to debate with Alderman A. R. Burnell; resolution was adopted favouring a poll of ratepayers, and the local paper, *The Northern Argus*, gave a whole page report. On February 12 a public meeting addressed in Payneham where petitions are in circulation demanding a rating poll. Various visits, as to Campbelltown, Marion and Unley, considerable correspondence and, on occasions as they arose, advertisements in newspapers and the sending of printed matter to every ratepayer in a district. Rating polls are now about to be held in Clare and Marion and Payneham and Mr. Craigie will be exceptionally busy till the moment of his departure on his voyage to Europe.

Most Welcome Visitor. Coming for the 'rest and recreation' he so well deserves, Mr. Craigie sails from Melbourne by the "Moreton Bay," on May 6, due to arrive in Southampton on June 13 or 14. He will be staying in England for several months.

A German Author's Work

In his new book *Die Bodenrente in Raumwirtschaft und Raumpolitik*, Dr. Martin Pfannschmidt has made an exceptionally brilliant contribution to the study of the Rent of Land as a factor in the economic structure of society and as indicator of the fiscal and financial policy which being pursued would, through the wise and unhampered use of land, redound to the welfare of all. He deals, if we can fairly translate his sub-title, with "space economics" and "space politics," that is to say with all that relates to the standing place or working place that men must have if they are to live and provide for their sustenance. That leads to the recognition of the rent of land, namely the greater or less *natural* advantage which one piece of land affords as compared with another owing to its situation or its inherent qualities, and there follows the proof of the dominant part that land-rent plays in the destinies of society, making for weal or woe according as it is rightly or wrongly handled.

The book comprises 230 pages with an appendix of 26 pages containing 60 graphs, diagrams, maps and illustrations. The bibliography of authorities consulted occupies 12 pages and it is interesting to note to what extent the author (himself a Vice-President of the International Union for Land Value Taxation and Free Trade) has drawn upon no fewer than 60 of the papers presented at the International Conferences in Oxford, 1923, Copenhagen, 1926, Edinburgh, 1929, London, 1936, New York, 1939, Derbyshire, 1949, and Odense, 1952; and the files of LAND & LIBERTY have been an unfailing source of information. Among the writers cited are Henry George, Alfred Marshall, John Stuart Mill, David Ricardo

and Adam Smith. But impressive to the German reader will be the reference to the host of German historians, economists and specialists including most notable perhaps of all—the great physiocrat Johann Heinrich von Thünen, author of *Der Isolierte Staat* (*The Isolated State*), who, writing in 1826 and clearly expounding the Law of Rent, threw a light upon it as revealing as that which shone in *Progress and Poverty*.

Dr. Pfannschmidt looks at the history of the land question in ancient Greece and Rome, in the Middle Ages, in the colonial systems that obtained in India, Malaya, Australia, New Zealand, Africa and Canada, in the American Colonies, in Russia and China, in the development of Germany, Austria and Denmark. Then coming down to modern times he pleads for the emancipating policy of Land Value Taxation demonstrating its beneficial effects on agriculture, manufacture, housing, family life and the state of the community as a whole. Description is given of the progress made on the lines of Land Value policy in Australia, New Zealand, South Africa, Canada, Pennsylvania and Denmark. The practical side of the question is well attended to, a large section being devoted to the technique of valuation and the procedure for giving effect to the taxation of land values. Finally, Free Trader as he is, Dr. Pfannschmidt calls for the liberation of the world economy. With all that may be said in favour of the technical progress of the Western nations, the peoples in the undeveloped or underdeveloped lands are no longer willing to buy it at the expense of their economic freedom and the right to enjoy the fruits of their labour. The logical and historical antithesis of the "capitalism" of the past is a humane capitalism through which the rent of land is returned to the community that has created it. That closing thought serves to illustrate the truth in a quoted passage from one of Sir Winston Churchill's famous orations, when he said, in 1907, "There are only two ways in which a people can acquire wealth; there is production and there is plunder; production is always beneficial; plunder is always pernicious and its proceeds are either monopolized by a few or consumed in the mere struggle for possession."

Dr. Pfannschmidt's book is given special distinction and influence by being issued as one of the treatises fathered by the Akademie für Raumforschung und Landesplanung which is concerned with the study of town and country planning. It makes volume 25 of the series. In a preface, the president of the Academy, Professor Kurt Brüning writes that the line of thought followed in this research has since the beginning of 1952 been the subject of exhaustive discussion among the leading minds in the

Academy. All who took part were unanimous in the conviction that the material compiled by the author should be published and, with the author bearing the sole responsibility for the work (and the opinions expressed), the Academy has the more gladly placed it in the hands of the public because it is satisfied that discussion, for or against, will show what is of practical service in these ideas and will stimulate economic students to further research in the matter.

The book is published by the firm Walter Dorn in Bremen, price 8 marks. Correspondents wishing to obtain a copy through our offices should send us 15 shillings to cover cost and postal charges.

Toward a New Dutch Manual

The Journal *Ons Erfdeel* (Our Heritage), monthly organ of the Dutch Union of Justice and Freedom whose policy is Land Value Taxation and Free Trade and which is affiliated with our International Union, announces a correspondence course of study. It is being conducted by a special committee formed for the purpose, over which Mr. P. Prins (a vice-president of the International Union) presides. The chosen text-book is *Economics Simplified*, by Bowen and Rusby. There are ten lessons and the comprehensive "notes" for the students are appearing in each successive issue of *Ons Erfdeel* from January, 1954, forward, occupying some three pages of each issue. It is intended that when the course has been completed these comprehensive notes will be bound in book form and thus the Dutch movement will have a new and valuable addition to its literature, for a wide circulation among the general public. But appeal is made for the necessary funds to cover the costs and we hope there will be adequate response. Secretary of the Dutch Union and editor of *Ons Erfdeel*, is Mr. A. Sevenster—Address: St. Annaparochie, Holland.

Spanish Writers and Teachers

The February 13 issue of the weekly periodical *El Espanol* (The Spaniard) contained the report of a long interview with the public notary Julio Senador-Gomez, the famous author of *Al Servicio de la Plebe* (at the Service of the Common People), *La Tierra Libre* (Free-land), *Castilla en Escombres* (Castile in Ruins), *La Ciudad Castellana* (The Castellan City), *El Impuesto y los Pobres* (Taxation and the Poor), *Los Derechos del Hombre y los del Hambre* (The Rights of Man and the Rights of Hunger) and several other books on Spanish economic and social problems. Senor Gomez, who is a cripple and an octogenarian, has the keenest lucidity of mind. In this interview he stated and warmly praised the doctrine and economic solution of Henry George and was able to announce the early appearance of another book to be entitled *El Hueso Mondo* (The Core of the Matter) which will likewise be an exposition of the Georgeist philosophy. He has long been a close associate of Baldomero Argente, he who has translated all George's works into Spanish.

The Madrid weekly *Nueva Economia Nacional* (the New National Economy) has published an article by Mr. Paluzie-Borrell entitled *Los Progresos del Georgismo* which is a documented statement of the practice of land value taxation in South Africa, Kenya, Tanganyika, Rhodesia, Canada, Australia, New Zealand, Pennsylvania and Denmark.

On March 21 at the Holy Shepherd's Home for Labourers, in Barcelona, Mr. Paluzie opened a study-

JOIN THE INTERNATIONAL UNION FOR LAND VALUE TAXATION AND FREE TRADE

To stimulate in all countries a public opinion favourable to permanent peace and prosperity for all peoples, through the progressive removal of the basic economic causes of poverty and war, as these causes are demonstrated in the writings of Henry George. Specifically, towards the realization of these objects, the Union favours the raising of public revenues by taxes and rates upon the value of land apart from improvements in order to secure the economic rent for the community and the abolition of taxes, tariffs, or imposts of every sort that interfere with the free production and exchange of wealth.

Membership is open to all persons, irrespective of sex, race, or nationality, who in good faith sign a written declaration of adherence to the objects of the Union, and pay a minimum annual subscription of 10 shillings sterling or \$2 U.S.A. and Canada. Cheques, etc., may be made payable to Ashley Mitchell (Hon. Treasurer), 4 Great Smith Street, London, S.W.1.

course on Social Science by giving a lecture on "A Christian Duty." There was an audience of 40 persons, of whom 15 are now following assiduously the weekly lessons on political economy.

A New Italian Periodical

We are indebted to Dr. N. Pulvirenti, Principal of the "Ethos" Institute of Milan, for the first copy of *Crogiolo* (the Crucible) via Mangilia, 3, Milan, and we wish every success to this new venture. The first number which is produced by cyclostyle is devoted to the publication of an article by Dr. N. Pulvirenti himself entitled "Economic Liberty and Social Justice" which formed an address made by the author to a meeting of the members of the Milan Centre. The subject is a general survey of Henry George's doctrine with special reference to the difficulties experienced in Italy to-day. In the course of his discussion of the land problem, Dr. Pulvirenti quotes official statistics which show up in all its horror the abject poverty that besets the Italian nation to-day as a result of the latifundia system. No less than 232,000 families live in shanties or in caves like troglodytes and over 1,078,000 families live at more than three to the room. In all, these people represent more than 11 per cent of the total population of the country.

Dr. Pulvirenti examines the various remedies proposed by the Italian Government. Only one is designed to deal specifically with the pressing land problem. It provides for the distribution of certain lands to the landless peasantry but because the holdings so created are too small to support the cultivators and their families, there is little improvement in conditions. Dr. Pulvirenti rejects that scheme of things and shows that the solution is to be found in the public collection of the economic rent of land. Only thus, he remarks, will political economy pass out of an ante-Copernican darkness as that in which astronomy floundered for 1,500 years and become a true science, founded upon justice and liberty and upheld by the truth.

Making Opinion in Norway

One of the ablest protagonists of land value taxation and free trade, and of the social libertarian philosophy bound up with that movement is Mr. Halfdan Hansen, a leading citizen of Bergen and head of a firm engaged in the building trade. He is a vice-president of our International Union. His scholarly pen is seldom idle, his revealing articles being taken up over and over again in the *Bergen Times*, to make one wish that in other countries there were prominent daily papers opening their columns so generously to the exposition of true liberal principles and policy. One of the other avenues well coursed by Mr. Hansen is the periodical *Fri Tanke* (Free Thought—that is, on the economic and sociological plane) with ten issues in each year, and in which the editor, Mr. Rusted, and his contributors make eloquent pleas for that state of society which will be based on equal liberty. Some of Mr. Hansen's articles are: "There is still enough for all—thoughts on starvation and social injustice," "On customs tariffs and other poverty-producing taxation," "Preventives of poverty and the 'welfare state,'" "The field of enterprise offered to man," "The labourer compelled to task work," "Land value taxation, the world's way to emancipation." Mr. Hansen's campaigning so steadfastly pursued gives point to the exhortation by the late Bolton Hall that no one devoted to a movement should ever find excuse for inactivity by saying, "I am only one man."

Conditions in Pakistan

Our correspondent in West Pakistan writes: "Pakistan is a new country—now six years old—and far from set in its political pattern. Its founders, Jinnah and Liaquat, were men of outstanding ability and conscience, but death and assassination prevented them from stabilizing the country. It seems that, unlike India, Pakistan was founded as a religious home and unit for Islam, and not on anti-British Raj propaganda.

"Although this means that the Pakistani is more friendly to the British than the Indian, it also reflects the strong core of opinion in the country which would uphold obsolete Islamic social conventions even where these prevent progress.

"It is yet to be seen whether the small group of intellectuals at present trying to build the country on lines akin to the democratic socialism of the West can hold the field. The third and, as we know, probably the most powerful social-economic group is that of the landlords. There is no middle-class, and thus landlordism is rife.

"The situation is like that of the baronial and feudal systems of Great Britain in the Middle Ages. The central government at Karachi is not all-powerful, and many policies which originate there are modified and diluted by the provincial governments. This, plus the graft and corruption which pervades much of the local life, makes many of the younger educated generation—the prototype middle class and professional man with no land behind him—wish for a form of dictatorship. Actually they envisage a period of benevolent despotism which would centralize power and order the country, followed by democracy and devolution of power. This is heady wine, an attempt to achieve in a few years what the western world achieved in 500 years. The wise man knows that they will most likely fail if this is tried, and the Egyptian example is there to show the price of failure.

"Financially the country started well with a boom in jute and cotton on the export market. That, however, has greatly decreased and foreign exchange is scarce. Tremendous efforts are being made to develop home industries but again time is the enemy, and the gap between those who have and those who have not increases daily.

"It would be for a much keener and more competent observer than myself even to guess at the future, but we hope for the best as Pakistan is our greatest friend in this part of the world and could be the stabilizing influence the Western powers need. The Americans have realized this and as you know they have recently switched their attachment from India to Pakistan."

A Great Danish Pioneer

We pay homage to the memory of J. L. Bjørner who died at the age of 85 on April 20th. To his widow, Signe Bjørner closely associated with him in a lifelong and distinguished service to the Henry George movement, we especially offer our sympathy in her bereavement, and equally so to the whole family who have followed in his footsteps in devotion to his ideals. He was the author of a number of books and pamphlets and of innumerable articles in the Danish press, commanding a pen that gave its instruction ever with a wonderful touch of humour. First "seeing the light" in 1897, he was one of those—and we think the last remaining—who gave new life and activity to the Henry George Union in 1902. He established a successful business in the timber trade and was widely travelled. Yet for the social philosophy he had embraced he scarcely ever missed an opportunity to preach it publicly, and he had few equals in the ability

with which he presided at meetings. That was observed most notably at the Henry George *stævner* or conventions over which, year by year, he had charge. Well remembered by those who were there is the Antwerp Free Congress in 1910 when he himself first met a number of British Colleagues; also his attendance with Signe Bjørner at the International Conference on Land Value Taxation and Free Trade in Oxford, 1923; and again the Copenhagen Conference in 1926 where he took a leading part. But these are only a few of many reminiscences and Danish colleagues can fill in the picture of all the immense labours of him as one of their most eminent compatriots, and with abounding gratitude.

New Zealand Press Activity

The November, 1953, issue of the New Zealand farming journal, *Straight Furrow*, published a long letter from Mr. R. A. Gosse, Wellington, a member of the New Zealand League for the Taxation of Land Values dealing with the twin problems besetting farmers in that country, namely, the incidence of heavy taxation and the difficulties encountered by young men seeking holdings to cultivate. Mr. Gosse wrote: "Our present system of levying income taxation upon the annual earnings obtained by each farmer as the reward for his exertions, accompanied by the harsh imposts imposed on him by the taxation of his stock, must have a very disheartening effect on his efforts for maximum production.

"Much relief could be given the most enterprising and efficient farmers if the Income Tax Act were remodelled and reduced omitting altogether the Stock Tax and the deficiency recovered by a substantial increase in the Land Tax—such increase, of course, to be on all land. More than half of the land values of New Zealand, being in the towns, boroughs and cities, the owners of such would also contribute their quota. Such a proposition may at first be questioned but a quiet consideration would prove its beneficial effects. Much land to-day is being indifferently farmed, and in many cases held in too large an acreage to be properly worked.

"The chief effect of a substantial increase of the Land Tax (and a consequent lowering of the Income Tax) would be a change in the ownership of many farms and a large increase in the number of young men obtaining farms who had hitherto been deprived of the opportunity—this change being made without any help from the Lands Department. The inequity of taxing the efforts of the industrious, when other nearby farms of equal value are poorly worked, is surely apparent. The problem too, of providing opportunities for the younger generation is also a compelling one. As the effect of this proposal is not to increase the amount of taxation but simply to alter its incidence it should meet with the approval of all progressive farmers on the same principle that in the local body area of rating, it has already brought about the change from rating on Capital Values to rating on Unimproved Values . . ."

The following issue of the *Straight Furrow* contained a letter from a correspondent who so far misunderstood the nature of Mr. Gosse's proposals as to condemn them as "pure out and out socialism." Replying to this critic, Mr. Gosse wrote: "If he were to adjudge income tax, social security, customs duties, sales taxes, death duties and a host of various licence charges as steps to socialism, he would be much nearer the mark. I agree with him that our national economy is already riddled and honeycombed with socialistic legislation . . ."

"Land value taxation stands out pre-eminently as the best method. Its justice cannot be questioned for it is everywhere recognized that land values are unearned increment—wholly and solely created by the community increasing with density of population and progress, diminishing with falling population and decadence. As no single individual makes land values, so is it no hardship for each holder of land to pay a tax, or rather a rent commensurate with its value, as due compensation for the benefits received. This, of course, in lieu of other taxation. It is by far the cheapest method of securing public funds, enabling the civil service to be cut by half. No one can evade payment, for land cannot be hidden. Furthermore, by means of district maps erected in a prominent place, as is done in

Denmark where land value taxation has made good progress, each land holder can compare his assessment with that of his neighbour . . .

"To all who stand for freedom, justice and equality of opportunity, who dislike regimentation, the issue is plain. None can escape from contributing to the upkeep of government. Directly or indirectly, justly or unjustly, all must share in the cost. One can do so either cheerfully, paying not on his efforts as a producer but in accordance with the value of the opportunity he holds in his land, or grudgingly, by taxation on his labour, skill and thrift . . ."

Mr. Gosse, a vigilant and successful press correspondent, has sent us cuttings of letters he has had published in various journals. His subjects include the resentment that is felt against mounting tariff burdens; currency depreciation; a loan from the World Bank; and a severe reply to an opponent of the rating of land values.

Dr. Starcke Crosses the Atlantic

Guest of the Robert Schalkenbach Foundation

Dr. Viggo Starcke, parliamentary leader of the Danish Justice Party, *Retsforbundet*, has accepted an invitation from the Robert Schalkenbach Foundation, New York, to undertake a speaking tour of Canada and the United States. His chief engagements are as follows:

Boston: Public Meeting and Radio Address (April 2-5). *Ottawa*: Public Meeting and Henry George School Dinner engagement (April 6-7). *Montreal*: Dinner engagement, Henry George School (April 8). *New York*: Radio Interview; Dinner engagement with municipal officers and city planners; Fordham University (address will be broadcast); American-Scandinavian Foundation; Television—30 minute discussion programme sponsored by the World Affairs Council (April 12-18). *Columbus, Ohio*: Radio programme (April 19). *Chicago*: Dinner engagement, Henry George School (April 24). *Missouri*: Engagements with the Noonday Club and the Cathedral Club, St. Louis; Dinner engagement, Henry George School, St. Louis; University of Missouri, Columbia (April 26-28). *San Diego, Calif*: Various meetings being arranged (April 30-May 6). *Oakland, Calif*: Mills College (May 6). *San Francisco, Calif*: Meeting at Commonwealth Club to be broadcast; Meeting sponsored by World Affairs Council; Meeting sponsored by Henry George School (May 6-7). *Los Angeles, Calif*: American-Scandinavian Foundation; Electric Club; Henry George School (May 9-11). *New York*: Dinner at Town Hall Club to launch the publication of the 75th Anniversary Edition of *Progress and Poverty*; Danish Luncheon Club; Radio programme "University Forum" (May 15-21).

THE FRENCH REVOLUTION

M. Rene Sedillot, general editor of *La Vie Francaise*, in an article entitled "Why Frenchmen Don't Pay Taxes" published in the magazine section of the *New York Times*, September 6, wrote: "The great French Revolution of 1789 could have been avoided if Parliament had accepted the courageous plan of Calonne, Louis XVI's Controller General, to impose a land tax on property owners, whatever their rank. Nobles, prelates and parliamentarians defeated this act of financial justice which the King himself desired. Incidentally, and without pursuing the point, Louis's errors which brought about his downfall were through weakness, not excessive tyranny."

JACKPOT

Here is a tale which proves that in even the smallest, most uninspiring business there may be an unknown factor which will bring riches to the shareholders.

Near the city of Singapore are the estates of a tiny—£37,000—rubber company called Bajau.

Until a few weeks ago the 1s. shares were priced at 4d. Then a rumour spread that the Singapore Government wanted the land for building purposes.

My information is that there are 1,600 acres which might fetch up to £600 an acre. This would give the properties a total value of around £1,000,000.—*Sunday Express*, February 7 (City Editor).

PASSAGE AT ARMS WITH THE CRITICS

A Liberal and a Socialist Join Forces

One of the most astonishing articles ever to be published appeared in the *Liberal News*, March 12. Entitled "Henry George in the Twentieth Century," it was contributed by Mr. James G. Lunt, whom the editor in a subsequent issue described as "an original thinker with an exceptional record of devoted work for the Liberal Party in his own constituency." From all over the country a flood of letters streamed into the offices of the *Liberal News* contesting Mr. Lunt's ridiculous assertions. With due acknowledgments to the editor we reprint Mr. Lunt's article here in full. The correspondence rebutting his contentions appears on pages 48 and 49.

"Henry George in the Twentieth Century" Mr. James G. Lunt in "Liberal News," March 12

From a seat in the middle of the twentieth century, Land Value Taxation appears to be as grotesquely inadequate as it is fundamentally sound. The Rent of Land is but a part of the rent of property, but of this total rent nearly half, sometimes more, is taken in local taxation—rates—and of what is left, an allowance for maintenance having been deducted, nearly half is taken in Schedule A tax and sometimes more still in surtax. So to advocate Land Value Taxation is to demand that of which we already have a surfeit.

Henry George, the author of Land Value Taxation, was somewhat of a genius. Privileged as he was to live in San Francisco when the railroad came through from the east, it was with his own eyes that he saw Western civilization pour through the Rockies and flood the Californian coastal plain. Within two years came changes which would normally have taken a lifetime.

Landlord and Capitalist

He saw much, and was deeply moved by what he saw; landlords rising to wealth in idleness and workers sinking to poverty in spite of their skill and industry. His remedy, Land Value Taxation, would have done much to reduce the poverty and misery of his day.

He did not see that in an industrial community the place of the landlord as villain of the piece is taken by the owner of capital. In new countries rents are low and wages high and he saw that as time went on rents rose and wages came down. He saw that as wages came down, so too did rates of interest. Capital he regarded as accumulated labour.

What he did not notice was that because capital accumulates, although rates of interest go down the total amount of interest goes up with rent. The stranglehold of capital increases every year. Capital is but fertilizer which is applied to the land and becomes part of it. Capital is but man-made Land and Land is Nature's Capital.

Although Henry George proposed to take from the landlords the rent which they had stolen from the workers, he made no provision for its return to the workers, except in the reduction of general taxation.

He proposed to tax Land Values to extinction, till the whole of the rent went to the State, but he did not realize that the consequences of this would be the neglect of land, by the owners, as has happened in this country recently with certain classes of house property. To neglect houses is a mistake, to neglect the land is suicide.

Henry George lived and prescribed his remedy in a land where poverty was endemic. He therefore did not see that in the future it might be that opposite evils would demand opposite remedies, and that Inflation would require a reverse policy to his Land Value Taxation.

What he would say to-day

Were Henry George here to-day, and in his prime, he would not talk Land Value Taxation. With our twentieth century experience behind him he would want something more potent and more subtle, more vigorous and yet more adaptable to rapidly changing conditions and circumstances.

I believe that he would demand that Unemployment when it threatened be avoided by increased taxation of Rent, Interest and Profit, the rewards of ownership of Land, Money and Capital, and decreased taxation of Wages and Salaries, the rewards of industry and effort; and alternatively that Inflation, when it threatened, be met by a contrary policy.

Henry George and Lord Keynes Mr. Lunt replies to his critics

May I thank your many correspondents who have written in response to my article? I should like, within the limits of my powers, to answer each of them individually. That there have been so many letters is ample evidence of Liberal loyalty, but alas! it is loyalty to the past, whereas what is now most needed is loyalty to the future.

I am a disciple of Henry George and it has been my joy to discover for myself in the sophisticated arguments of Keynes the development and fulfilment of the simple theme of Henry George. It is a delight that I should like to share with my Liberal friends, but they, judging from their letters, know nothing of the teaching of Keynes. I therefore ask them, one and all, to read Keynes' book, *The General Theory of Employment, Interest and Money* (1936). It will cost them some effort, but their reward will be the realization that time has not stood still since Henry George laid down his pen in 1879, and that, in a world fantastic beyond his wildest dreams, the fight against poverty, unemployment and economic injustice is still going on.

Keynes, and I too, are both on the same side as George himself.

Debate in a Scottish Socialist Paper

A critical review of the new condensed edition of Henry George's *Progress and Poverty* appeared in the Scottish Socialist weekly journal *Forward*, February 27. Entitled "The Great Illusion" it was contributed by Dr. William Cormack, an able critic. In a letter published March 20, Mr. V. H. Blundell, Director of Studies at the Henry George School of Social Science, London, corrected this reviewer on a number of points of fact. A lively and extensive debate developed. Dr. Cormack replied, April 3, under the heading "The Delusions of the Single Taxers." Mr. Blundell responded with a half-page letter (April 24) editorially entitled "The Single Taxers: Round Three," and this brought forth the next week an equally long reply from Dr. Cormack headed "Fifth Round in the Single Tax Debate." We publish here Mr. Blundell's first letter. The debate continues.

"Not a Panacea"

Mr. V. H. Blundell in "Forward" March 20

Dr. Wm. S. Cormack's review of *Progress and Poverty* is so full of mis-statements, assumptions, half-truths and unashamed prejudice that it is difficult to regard it as a review at all. At least he should be corrected on the following points:

(1) Henry George did not offer *Progress and Poverty* as a panacea for all ills and he says so. Dr. Cormack should re-read his works. Henry George said that the reform he advocated was the first great reform.

(2) George did not say that "profits" are in no way responsible for poverty. Indeed he showed that much of what is called profits was nothing but land-rent and capitalized privilege. Your reviewer does not trouble to define "profits" and blandly ignores George's definition.

(3) George did not advocate that land should be "allotted to the bidder prepared to pay the highest rent." This seems to indicate some gigantic auction and nothing was further from Henry George's mind.

(4) To ask for "statistical proof" that the rent of land would equal the revenue required is to ignore the point of issue. Dr. Cormack assumes that only rent is variable, but is not Government expenditure variable? So much is taken now-a-days

by the State in taxation in order to relieve poverty and to hand back in social services, that the Government might well take 99 per cent of the national income eventually and redistribute it in a variety of "services" (The Slave State). How then could rent under these conditions equal rent + wages + interest? Of course Henry George's ideas would not be "practicable" under these conditions but then, it was these very conditions that George opposed. He was for limiting the powers of the State and thus its revenue. However, it is the principle that matters and the principle cannot be disproved however much one may juggle with statistics.

(5) George is accused of reducing everything to laws. Since political economy is a science, what is wrong with this? Dr. Cormack might as well accuse physicists of reducing everything to laws!

(6) The figures quoted by Dr. Cormack are useless. He states that in 1951 combined rental of land and buildings was £456 millions. How does he know? How does the Government know? There has been no complete and accurate valuation of land in this country since the time of William the Conqueror and it would be of no use Dr. Cormack quoting Schedule A; it is hopelessly out of date and does not include the value of land held out of use nor land rents which figure under profits.

(7) Dr. Cormack says landlords are not able to get away with the increase in production resulting from improved technique. He does not include himself in the landlord class evidently, yet economically speaking, he is of that class, if he is paying rent fixed 50 or more years ago and enjoying its present-day value.

Radical Reformers versus Free Economists

A "Manchester Guardian" Correspondence

A motion on "unity of purpose" tabled by the Union of University Liberal Societies for adoption by the Liberal Party Assembly was reported by the *Manchester Guardian*, April 1. The motion read in part: "That this assembly affirms that there is no essential political contradiction between the principle of social welfare and that of a liberalized economy. It recognizes that there are, and always have been, two distinct yet interdependent traditions in Liberal thought . . . While recognizing as Liberal the aims and principles of the advocates of social welfare and economic libertarianism alike, the party affirms that it cannot give preferential emphasis to one at the expense of the other . . ."

"Liberty or Welfare?"

On behalf of the committee of the Radical Reform Group within the Liberal Party whose slogan is "Social Welfare Without Socialism," the Chairman, Mr. E. F. Allison, and the Secretary, Mr. Peter Grafton, in a letter to the *Manchester Guardian*, April 17, wrote: "Gladstone, Asquith, and Ramsay Muir all declared that liberalism had never been identified with *laissez-faire*. The 'economic libertarians' are asking for the overthrow of all that Liberals have stood for in the past fifty years. It is absurd to suggest, with the assembly resolution, that all that is involved here is a difference of emphasis.

"It is equally ridiculous to claim that a conciliation is possible between irreconcilables. How does one compromise between having and not having a National Health Service, between intervention and no intervention by the State to maintain full employment, or between legislation and no legislation to introduce co-ownership in industry?

"The unity of the Liberal Party has already been destroyed by the refusal of some members to accept the policies upheld by the party over the years . . . We hope the rank and file Liberals will force the leadership to make up its mind which way it is going. There lies the only hope of unity."

"Real Freedom Ensures True Welfare"

Response to the Radical Reformers was made in a letter published April 20 over the signatures of five Liberal advocates of the free economy based on land value taxation and free trade, viz., Messrs. S. W. Alexander, Louis A. de Pinna, J. S. Harding, I. J. Hyam and Oliver Smedley. They wrote: "Under the

Liberal governments from 1906 until the outbreak of war in 1914 free trade and *laissez-faire* which, in its true sense, is freedom to produce, travel, and trade and not, as suggested by your two correspondents, freedom to exploit the people, went hand in hand with social justice for the people.

"There is no question of compromising 'between having and not having a National Health Service, between intervention and no intervention by the State to maintain full employment.' The true Liberal aim is, by its trade and land value tax policies, to restore prosperity and so diminish the need for State National Health Service, especially for the many patients as well as doctors who prefer a personal medical service, and to reduce the need for 'intervention by the State to maintain employment.'

"As for 'intervention by the State to maintain full employment' the advocates of a free economy require government intervention to free trade and ensure, as past and present experience in countries practising a free economy show, the highest practical level of employment in present as well as in more stable peace-time conditions.

"As for 'legislation to introduce co-ownership in industry' this is widely unacceptable to, as we think, the majority of Liberals throughout the country.

"Both *laissez-faire* and social justice have worked in harmony under Liberal governments without any disadvantage to either principle, and the advocates of a free economy would no more abandon the one than the other. *Laissez-faire* by no means proposes, as your two correspondents allege, the neglect of the needy. Now that the demand for a free economy is making more and more headway throughout the Western democracies, it would be a mockery if the Liberal party in this country were to be seduced, by enervating socialistic influence, from its historical rôle of combining these two non-exclusive principles for the common good of mankind."

Taxation or Nationalization?

Publicity in the "Co-operative News"

The *Co-operative News*, March 13, published the following extracts from a number of letters which it had received commenting upon the speech at Bristol by the Rt. Hon. George Brown, M.P., reported in our previous issue:

Mr. Brown made the distinction between land nationalization and the taxation of land values quite clear when he pointed out that the difference was between paying out millions of pounds of taxpayers' money, and collecting from the landowners the economic rent of land which rightfully belongs to the people. The only true value of land is this economic rent, which is created by the lives and activities of the community. But I do take issue with Mr. Brown when he says that the taxation and rating of land values would provide an additional source of revenue. The full benefits of the taxation of land values can never be realized unless taxation is reduced and abolished from the rewards of labour.—STEPHEN MARTIN.

While it has to be agreed, on any grounds, that land-owners are not entitled to compensation, the true merit of the taxation of land values lies in the fact that this reform would not only break the monopoly and destroy the speculative value of land, and thus reduce the cost of everything we produce; but it would enable taxation at present levied on all modes of production to be reduced and ensure that he who lives by the sweat of his brow, or brain, would reap the full reward of his labours.—WILLIAM E. BLAND, President, Land Value Taxation League.

The policy of land value taxation and rating is simple, just, and practicable, as its partial application in many countries abroad has amply demonstrated. On the other hand, the nationalization proposals in the national committee's policy statement *Land Ownership* are impracticable, contradictory, and utterly immoral. Their plan to confirm and consolidate the private appropriation of community created land values is an outrageous scandal.—DICK PETERS.

In the same issue of the "Co-operative News" appeared also letters from Mr. F. H. Brookes and Mr. W. E. Fox dealing with other aspects of the case for the taxation of land values.

HENRY GEORGE IN THE TWENTIETH CENTURY

Massive Rejoinder by Free Economy Correspondents

Elsewhere we reprint from the *Liberal News* an article by Mr. James G. Lunt entitled "Henry George in the Twentieth Century." According to the editor that extraordinary contribution "brought one of the biggest floods of letters in the history of the paper" and all opposed to Mr. Lunt's views. Sixteen letters—a small selection—were published in the four consecutive issues dated March 26 to April 15. The next issue, April 23, published during the Liberal Party's Annual Assembly, carried five further letters contesting Mr. Lunt's assertion that Lord Keynes "developed and fulfilled" Henry George's "simple theme."

We wish we had space to reprint all the letters that were published. It was an impressive demonstration as the following will indicate.

Impertinent Interpretation

When I read the article . . . I found it difficult to believe that it was serious. If so, I must say I never read anything so utterly absurd and illogical, nor anything that displayed such ignorance. He says: "Were Henry George here to-day . . . he would not talk Land Value Taxation." How does he know? I suppose Cobden would not advocate Free Trade, and Moses would discard the Decalogue.—ASHLEY MITCHELL.

Unforgivable Ignorance

I hope you will be able to allocate space for more articles by James G. Lunt and others who think like him on the subject of Henry George's philosophy and the taxation of land values, provided you give equal space to contributors able to enlighten their darkness on the subject . . . It is deplorable how few Liberals understand the basic principles of its application. This is understandable with Tories, regrettable with Socialists, but unforgivable with Liberals.—A. G. BRADBURN.

Getting Terms Straight

The author of the article suffers from the disease which some logicians have called "cross division" and reminds me of the man who divided all human beings into three classes: males, females and bricklayers . . . To say that "Capital is but man-made land and Land is Nature's Capital," as James G. Lunt does, is symptomatic of the disease, which no doubt accounts for the many other errors and misrepresentations in the article.—W. HARTLEY BOLTON.

The Same Problem To-Day

Having started from a false premise that "the rent of land is but a part of the rent of property," Mr. Lunt flounders on with a host of misconceptions . . . The accepted law of rent is that it is a differential return between the productivity of the greatest and least productive land in use . . . It matters not for what purpose land is used, whether industry or agriculture, the law of rent still operates at all times and in all places.

In an industrial community it is true, the large industrialist is also generally a landlord, but it is in his function as a landlord that he is robbing the community of the wealth it creates, and not in his function as a capitalist . . .

To describe the poverty where Henry George lived as "endemic" is to mis-

construe his whole argument and purpose. It was his clear-sighted appreciation of the cause of poverty that made him so sure his solution was the right one. The cause of poverty, then and now, all over the world, is economic injustice—the injustice which George sought to put right.—BETTY WALDEN.

Land Taxed Enough?

Mr. Lunt asserts that nearly half the total rent of land and premises is taken in local taxation—rates. How so? The tenant pays the total rent to the owner. The tenant also pays the rates to the local authority.

Mr. Lunt is correct in stating that, although Henry George proposed to tax the rent of land, he made no provision for its return except in reduction of taxation. What is wrong with that? Are not lower taxes the key to prosperity?

If we must pay taxes, let us first tax land values. Why? Because this is not a tax: it is a restoration to the community of values created by the community.—GEORGE ALFRED GRAVES.

Incentive Taxation

Mr. Lunt says that to take the full rent of land in taxation would cause neglect of the land. Why? A tenant cannot be caused to neglect his land by the mere fact of paying his rent to the State instead of to a private landlord. An owner cannot be caused to neglect his land by a tax that penalizes neglect. He must, by the tax on the value of his land, pay for the advantages he enjoys through its situation, etc. If he makes no use of those advantages, he will suffer. If he works hard and develops them, he will reap the full reward of his labour, with no consequent increase in his taxes.

What does cause neglect is a tax on what Mr. Lunt is pleased to call "man-made land." If one is taxed for making something, one is less likely to make it.—ENID LAKEMAN.

Imperfect and Partial

Mr. Lunt must know that Schedule A is a very imperfect way of collecting land values. It, of course, does collect some of the value, but only the value on properties that are being used.—H. EDWARDS.

A Determined Lady

What does it matter what Henry George said or might say to-day? With our

20th century experience of the way we have cramped our own style by monopoly and taxation, is it not clear that what we need is freedom to trade and freedom to produce? We cannot be free to produce while the basis of all production is obtainable only at ransom prices.

I do not care what Henry George would want to-day. I want Land Value Taxation.—DOROTHY M. BAKER.

Unemployment Banished

'The rent of land is but a part of the rent of property,' writes Mr. Lunt. This observation can be made because of the fact that, as yet, no land valuation has been taken of the land of Great Britain and because of the injustice of our rating system which assesses property value by combining land value (created by population) and property value (created by labour).

"If we take a closer look at our social structure and take note of other interferences and monopolies, such as capital monopolies, Government controls, local taxation, Government taxation, and trade-union monopolies, we see that it is only because of land monopoly that these injustices spring up.

Henry George knew that collecting land-rent would create competition in land, thereby putting into effect his ideal of individual effort and skill going in its most fruitful direction. Do not forget that payment of land rent to the State assures occupiers of security of occupation and usage.

Mr. Lunt says: 'I believe that, were Henry George here to-day, he would demand that unemployment when it threatened . . . ' May I say that, with George's remedy in general practice universally, unemployment would not threaten.—C. STANLEY.

Labour Exploited

In claiming that Land Value Taxation is 'flogging a dead horse,' since economic rent is already collected in rates and property tax, Mr. Lunt forgets the huge parcels of land of high value withheld for speculation and untaxed; also de-rated agricultural land and partly de-rated industrial hereditaments. Moreover, the collection of land value is a mere accident, and since rates and property taxes are based on the composite rent of land and buildings together, the better the building, the higher the tax. Thus enterprise is penalized.

Since George's day capital has certainly assumed a greater importance, but it still has not, and never will have, the inherent power to exploit labour. All labour-exploitation stems from monopoly—e.g., land monopoly and tariff monopoly. The horrors of the industrial revolution would not have occurred if people had not been driven to the towns by the Enclosure Acts, thus creating a cheap labour market for the industrialists.

As to how the rent fund should be returned to the workers, George suggests throughout his writings the provision of social services similar to the ones we now have—though many would remain unnecessary once the cause of unemployment had been attacked at its roots.—LEONARD A. STEVENSON.

How Rent Arises

It is not the *use* to which a piece of land is put that determines its value, but its advantages as compared with the poorest land in use. The neglected sites all over London have an exchange value that has nothing to do with their present use value. Surely Mr. Lunt will agree that to tax this exchange or market value would result in their being used and not neglected as at present?

There are working examples of the practicability of site-value rating in many towns throughout the world. The fact that owners have to pay the same rate whether they put their land to use or not means that they are discouraged from holding the land idle whilst at the same time, they are encouraged by the fact that the full development of the site does not result in higher rates because they have been industrious.—VICTOR G. SALDJI.

The "Single Tax" Party?

In your editorial comment on the correspondence concerning Mr. James Lunt's article, you state that the Liberal Party 'has never been committed to the total philosophy and economic outlook of Henry George.' That is not quite true.

At the Blackpool Assembly in 1948 the following amendment to the resolution on 'The Economic Crisis' was carried with only two dissentients. It called for "the enactment of legislation to levy taxes and rates on the annual site value of land and the progressive reduction of these burdens on buildings, improvements, production and the rewards of labour."

It is impossible to place any other construction on this amendment than that it is a clear demand for the 'Single Tax' and that ultimately national revenue should be derived solely from taxation levied on the communally created value of land.

It is true that there are Liberals who, accepting the existing taxation system both in regard to the amount raised therefrom and the purposes on which it is expended, find it difficult to accept the philosophy and principles of the Single Tax. Of one thing I am sure: once they have 'seen the light' they will never let go.—STEPHEN MARTIN.

[Even the Blackpool amendment does not necessarily amount to 'Single Tax,' though that may have been its promoters' intention. It has certainly not been universally so interpreted whether for lack of 'seeing the light' or not.—Editor, "Liberal News."]

Capitalized Monopoly Privileges

Mr. Lunt says George failed to see that the capitalist succeeded the landowner as villain, but his statement that the total of

interest rises though its rate falls is no demonstration of his assertion that capital has a stranglehold which increases. 'Capital is but man-made Land,' he says, and 'Land is Nature's Capital'; but the fact that capital is man-made and reproducible is what distinguishes it essentially from land which is natural, limited in amount, and necessary to every economic activity. The 'capital' of the balance-sheets of modern industrialism comprises much capitalized value of various monopoly rights, and especially of natural resources and sites.—C. H. JONES.

"Forward to Keynes?"

Mr. Lunt refers to those of us who recognize fundamentals as being loyal to the past, and suggests that what is required is loyalty to the future. Some of us who have spent a long lifetime of thought on such matters will prefer to look to that cloud of witnesses who have testified to eternal truth.

Professor J. E. Cairnes in his 'Political Economy' sums up the position in these words: 'Sustained by some of the greatest names, I will say by every name of the first rank, from Turgot and Adam Smith to Mill, I hold that the land of a country presents conditions which separate it economically from the great mass of the other objects of wealth.'

Time may not stand still, but there are fundamental principles and truths which are eternal, and it is a tragedy that there are those who in the added complexities of modern civilization cannot see the wood for the trees.—H. E. HENDERSON, Ph.D., D.Sc.

I should like to express my agreement with Mr. Lunt that much in economics to-day is fantastic, and my admiration for Keynes in his attempts to replace some of the fantasies by reasonable arrangements. But he had to build on the fundamental injustice of the system of land tenure now in force; and he had to accept the system of tariffs.

The uneasiness at home and abroad will persist till landlords pay rent and trade is freed, and no bolstering up will cure it. Full employment will follow, and much of our present 'Welfare' will not be needed. The fantasies will disappear.—H. A. BAXTER.

It is always a pleasure to read any well and carefully worded letter. Mr. Lunt's summing-up of Keynesian theory as a 'sophisticated argument' is a masterpiece of sagacity.

For the benefit of the less erudite, I should add that, according to my dictionary, 'sophisticated' means 'corrupted, adulterated.'—T. S. BRADLEY.

The Way Out of the Dollar Shortage. By Dr. Sven Rydenfelt, Lund University, Sweden. A forceful exposure of the dollar-gap myth and of the evils of exchange control. 1952. *Second Printing*. 6d.

LAND AND LIBERTY LIBRARY

The Law of Wages and Land Monopoly. By Frank Dupuis and E. J. Craigie. A lesson from early land settlements in Australia. A remarkable historical illustration of the relationship between rent and wages, forming also a most valuable contribution to the economic history of land tenure. As an appendix there is printed "An Experiment in India," which serves to re-emphasize this relationship and which should be read by all who desire to wage effective war on want. 1953. 12 pages. 6d.

Essays on Free Trade. By W. R. Lester, M.A. Some plausible but fallacious arguments examined and logically demolished with great clarity. Only those with special interests to preserve are likely to remain unconvinced by "Capturing Foreign Markets." The second essay, "Free Trade and Laissez Faire," extends the argument for Free Trade between the nations to the sphere of wealth, production and exchange of goods. Stripped of its corrupted meanings, *laissez faire* is shown to be a philosophy of freedom, not of licence. 1953. 13 pages. 6d.

International Trade (Without Statistics!). By Ashley Mitchell. An eminent free trader and business man examines international "tariff-bargaining" conferences, Customs Unions, Exchange Control, etc., showing how trade barriers maintain tyranny. *Fourth Printing*. 6d.

Land-Value Reform in Theory and Practice. By James Dundas White, LL.D. With outline of legislation presented in the form of a Parliamentary Bill. 60 pages. 1948. 2s. 0d.

South Africa As She might Be. F. A. W. Lucas, Q.C. Details clearly and simply the steps necessary for securing work, food and freedom for all South Africans. 1945. 68 pages. 3s. 0d.

The Operations of Land-Value Rating in Various Countries. Memorandum of Evidence submitted by the United Committee for the Taxation of Land Values to the Interdepartmental Committee on Site-Value Rating. An up-to-date summary and review of land value legislation, valuation methods, revenue yields, etc., in Denmark, New Zealand, Australia, South Africa and Rhodesia and Kenya. 16 pages. 1949. 6d.

Public Charges Upon Land Values. By A. R. Hutchinson, B.Sc., Director Land Values Research Group. A study of the effects of local government rating systems upon the social and economic development of the Australian States. 1945. 32 pages. 6d.

Municipal Justice: The Case for Land (Site) Value Rating. By E. J. Craigie, ex-M.P. The Principles Explained and Common Objections Answered. Valuable Appendices giving comprehensive and up-to-date facts and figures concerning the operation of land value rating in Queensland, N.S.W., South Australia, Victoria and West Australia. 1952. 36 pages. 6d.

FROM THE DEBATE ON THE NEW PLANNING BILL

When the Town and Country Planning Bill was debated, March 15, SIR LYNN UNGOED-THOMAS (Lab., Leicester N.E.) moved an Opposition Amendment in the following terms: "This House declines to give a Second Reading to a Bill which fails to safeguard the public interest in land values created by community endeavour, prejudices the planning work of local authorities and will be detrimental to future land use planning."

Sir Lynn said: "First, there is betterment in connection with public interest in land values created by the community. It is a very familiar problem to everyone—the problem of preserving for the community the values in land created by the community but which now fall to the landowner. There cannot be any objection in principle—nor, indeed, is any put forward—to the requirement that such values should go to the community."

"Where electricity, gas and water supplies, roads, etc., are brought to a property, that property must increase in value as a result of community action, and that increase should go to the benefit of the community."

"This Bill provides that compensation is to be paid by the community for the development values which are to be sterilized, and that the community is not to have any advantage from development values which are to be allowed to fructify. It is to pay for what is unproductive and receive nothing at all for what it makes productive. That is a fundamental defect of the Bill. It means that the taxpayer may have to pay compensation, not only to the person who suffers, but even to a person who actually benefits from the planning."

"The Sky is the Limit"

MR. J. E. MACCOLL (Lab., Widnes) said: "There is no excuse at all for bringing in a Bill of this kind, which I am quite certain nobody can hope to understand."

"We are never going to be able to work the system by having compensation for development values on the 1947 basis of compensation and current existing use value for compulsory purchase whilst, outside the public purchase, the sky is the limit for land values. Except in so far as some public body is going to purchase the property, within the limits of planning permission land values can be pushed up as much as one likes. The land speculator can charge high prices and make as high a profit as the market will bear."

"It is like a game of snakes and ladders. Provided one keeps out of public purchase one may shoot up and up the ladders and get more and more money, exploiting a favourable position and getting full advantage of the services provided for the community and the increased value they give the land."

"There may be two pieces of land in exactly the same situation, say, on the periphery of a developing town where the services are coming out. Transport is coming out and factories are being built. One site may be left for private development and the other site may be used for a community centre, or a housing estate. On the site left for private development within the limits of planning, all the advantages of the services provided by the community and the advantage in respect of development by the community will accrue to private profit. But in the other case, on the piece of land which happens at some stage in its life to attract public authority purchase, it will lose those advantages. That seems a shocking injustice to perpetrate between one landowner and another by a party which is supposed to believe so passionately in the private ownership of land."

"It is perfectly clear that unless public authorities are to buy land on a very large scale the old orthodox situation, to which so many critics of land speculation have referred time and again, is going to arise. As a result of development of areas providing attraction to people to move into certain parts of the country, land values there will go up, to the benefit of the private owner of land. In so far as he is able to transfer that benefit into existing use by development outside the sphere of public control, the benefit of community activity, even if subsequently the public authority buys the land, will accrue to the private owner."

Wrong Principle Perpetuated

MR. J. A. SPARKS (Lab., Acton) said: "We are reverting once again to the principle that a private person is entitled without expenditure of any capital, or without any thought or organization on his part, to receive increments of value on his land, although such increments have been created for him by the community and not by himself. We on this side of the House believe that to be fundamentally wrong. This Bill is designed to perpetuate that principle. We, therefore, believe that the Bill is not in the general interests of the community in that very essential respect. I am very glad that we have tabled an Amendment, upon which we shall vote this evening, which once again affirms the right of the community to receive the betterment value which its own activity creates, upon land held by private persons."

Land Value Rating Beneficial Overseas

MR. C. W. GIBSON (Lab., Clapham) said: "The longer I listen to this debate the more amazed I become at the way in which hon. Members on the Government Benches seek to justify giving back to the landowners what the 1947 Act tried to give back to the community. That Act did not give it back, and some of us said that it would not."

"The landowners are doing much too well out of the Bill. It is true that I was never enthusiastic about the £300 million give-away to which the Minister referred earlier, or about the development Sections in the 1947 Act, but at any rate we tried to tackle the question of bringing back to the community the values that only the community creates. Without the gathering of men on a site that site has no value at all. It does not matter very much whether the men are highly organized into a town or a community. The fact that men gather together to live and work adds to, and goes on adding to, the value of the land, the owner of which can exploit their need right to the very limit. In fact, the landowner has done that and is doing so now in the city in which we are meeting at this very moment. We say that those values ought to come back to the people who created them, that is, the community in general. The 1947 Act went the wrong way about it. There is evidence all over the country and all over the world of the successful application of the principle of taxing land values as a means of getting back to the community the values which the community has created and which, incidentally, landowners cannot create. That is helping very considerably to ease the financial troubles of towns and cities all over the world. Therefore, it seems to me that, having got rid of the development Clauses of the old Bill, and having got rid of the £300 million present to the landowners, the Minister might have been very well engaged in trying to get back all these values for the community by putting a stiff tax on land values and on all landowners. Of course, he could not have done that by this Bill, which merely changes the machinery in regard to development use."

Municipal Housing Site—£36,000 per acre

"The net result of this Bill is that more money will be poured into the pockets of landowners who have done nothing to create the wealth which they receive. I should again stress how important that is for a city like London. I took the trouble to find out what we have paid during the past 12 months for sites required for housing purposes, and I discovered some even worse examples than I had previously experienced. For instance, I found that, in Bethnal Green of all places, there was an estimate of £36,000 per acre for a housing site. In Southwark the price asked was £21,000 an acre, in Bermondsey £16,000 an acre, in Poplar £18,000 an acre, and the average cost to which the London County Council has been put during the past 12 months for housing sites alone has been £12,000 an acre, an increase of 66 per cent compared with the figure of three years ago. In other words, land values are continuing to go up, and the only person who benefits is the landowner."

"I wish that this Bill had done something to tackle that situation. I am quite sure that one day some Government will

have to tackle it. I hope it will be a Labour Government, and that they will go all out to put a heavy tax on landowners. Somebody has got to do that eventually because, until it is done, we shall never clear away many of the financial problems which afflict local authorities or do justice to the ordinary people."

MR. G. LINDGREN (Lab., Wellingborough) said: "Although on this side of the House we violently disagree with hon. and right hon. Gentlemen opposite about the intentions expressed in the Bill, it is at least pleasant to be associated in debate with those who are turning their knowledge and experience to the problems which we are discussing.

"There have been assertions from hon. Members opposite, and the hon. Member for Wolverhampton, South-West, (Mr. J. Enoch Powell, Conservative) joined in them, asserting that the community does not create land values. Of course the community creates land values. I have been associated for a number of years with the development of a new town. The land on which that town* was built was bought for £40 an acre. In 1939, only 20 years afterwards, land in that town was

* Welwyn Garden City [Ed., L. & L.].

being sold at £6,000 an acre. The reason for that was that 15,000 people had come to live in that town. It is, in fact, the coming together of communities and community activity which gives value to the land. In that instance the organization was such that some of the value came back to the community, but under this Bill all future land development values go back to the landowner. If there is to be compensation because of deprivation of development rights, then the community has to pay them.

"How can Her Majesty's Government justify the fact that in future under this Bill any landlord owning land will be able to exploit to the full his ownership and get as high a price for that land as it is possible for him to get, and when for planning purposes there he is deprived of the right to develop, the community should pay the compensation? That is real Tory philosophy. The landowner takes the benefit and the community pays.

"I am a member of Hertfordshire County Council, which built a by-pass road. The land on either side of the road was worth £40 an acre but, when the road was completed, the land bought by the county council to make the road was sold at £400 an acre."

[The Bill was given its Second Reading by 296 to 262 votes.]

EXORBITANT PRICES ASKED FOR HOUSING SITES

Estate Agents' Advertisements Provide Propaganda for Land Value Reform

Beckenham. Good residential position 5 minutes Junction Station, shops and buses. Freehold site, town planned for 3 houses. Frontage 120 ft. Depth about 160 ft. **£1,750.**

Bexhill. Friars Acre, Glyne Manor Farm, 20 Plots, sea-country views. Planning permission. **£3,000 or, not less than 10 plots, £1,750.**

Bishops Cleeve, Near Cheltenham. Twelve acres level Building Land, ripe for immediate development. Approved by Local Authority. Suitable for 10—12 houses per acre. **£6,000.**

Blackheath. 1½ acres building land in a good residential locality, close to the centre. Low price to close estate. **Freehold £2,500.**

Blackheath. Highclass Freehold Site near Paragon, suit approximately six houses or block of flats. **£6,000.**

Idle sites in town centres are the hallmark of a rotten rating system. Blackheath ratepayers have been mulcted annually to pay for the roads, drainage, street cleaning, police protection and other services which the owners of these sites have enjoyed without contributing a penny piece to the municipal treasury while waiting for the genial rays of community expenditure to "ripen" their holdings.

Canterbury, Kent. Freehold Building Estate, outskirts of city. Nearly 5,000 ft. frontage. **£30,000.**

Chelmsford, Essex. Corner plot zoned residential. Easy reach town centre. All services. Made roads. 255 feet frontage. **£10 per foot.**

For Sale—roads and services provided by municipal enterprise. The land speculator reaps what the community has sown—land value.

Cookham-on-Thames. 4½ acres of Freehold Building Land. Scheduled for 17 houses. Good level site. Electricity and water. **Freehold £3,500.**

Householders have paid more than was necessary for the electricity and water they have consumed to provide cables and pipes past this site to the benefit of the speculator who can now demand £206 from each homeless person seeking shelter.

Coulsdon (Old). Over 2½ acres Land suitable Building 20 houses for sale, with existing bungalow. **£5,000 freehold.**

Dover, Kent. Ripe Building Land near Dover. Developed district, planning permission for houses. 1½ acres. Forced sale **£475.**

When rates are taken off houses and improvements and placed on the economic rent of land, tens of thousands of "forced sales" will result, to the advantage of the whole community and in particular to home seekers, industry and all who wish to have a piece of land to develop.

Hertfordshire. Woodland, approx. 4 acres, adjoining Old World Village, 20 miles north of London, suitable for building a few houses of character. Close to railway, with frequent service to Kings Cross, coach and bus routes. **Price £1,250.**

Public transport raises privately appropriated land values.

On the River Thames between Maidenhead and Windsor. Eight plots for private building of varying frontages from 80 ft. and each extending to ½-acre. Price per plot, freehold, **£1,200.**

Middlesex—Herts. Border. Building frontages in large and small lots from **£14 a foot**, roads and sewers in.

Shanklin/Sandown, Isle of Wight. 21 acres prime Building Land. Permission to build 160 houses. **Price £7,500.**

Sutton, Surrey. Two acres of Beautiful Building Land in the centre of Sutton. The finest position in the town. 600 feet road frontage. 400 yards from Station. On high ground. Passed by town planning for eleven detached plots. [Price not stated.]

Every day business people have hurried from inconveniently distant homes on the outskirts of Sutton past this delectable site where, but for land monopoly and an iniquitous rating system, some of them could have lived; women have struggled by with heavy shopping baskets; expensive water, electricity, telephone, drainage, sewerage and other services have lain unused and unrecompensed beneath and before it. Now, judging his two delightful acres to be "ripe," the holder offers for sale those services, the proximity of the station and the purer air so high above sea level.

Upminster, Essex. Building Land. Lay-out approved for 122 houses. **Freehold. £16,000.**

Waltham St. Lawrence, 7 miles Maidenhead, 2½ miles Twyford. About two acres of Freehold Building Land in delightful surroundings, scheduled for 10 houses. **Freehold £3,000.**

Each prospective house owner must first pay £300 ransom to a private speculator for permission to occupy a piece of the national heritage: if he buys through a building society he will have to pay £1 18s. 6d. a month for 20 years.

West Midlands. One of the Most Important Building Estates in the West Midlands. Situated within about 3 miles of Three of the Best-known names in the Aircraft Industry and within 1½ miles of the Centre of the City of Gloucester. Development of 300—400 Houses Permitted.

How considerate of this landowner to place the city centre so close to the land which he now offers for sale!

Woking. Site of 2.7 acres suitable for 23 building plots together with existing 4 bedroomed detached house. **Freehold £5,200.**

Culled from *Estates Gazette*.

TAXES, TARIFFS AND RESTRICTIONS

The following noteworthy statements were made during the course of the four-day Budget Debate.

Fuel Oil Tax

MR. ANTHONY GREENWOOD (Lab., Rosendale): "To-day the tax is no less than 214 per cent which I believe to be at a wicked and punitive level. The untaxed cost of "Derv" (diesel oil) is 1s. 2d. a gallon. When tax is paid it is 3s. 8d. a gallon . . . The extra imposition upon our passenger transport is one of the considerations which is making for more wage demands; . . . the tax on fuel is also putting up the price of the goods that we produce and so adding an extra burden to our efforts to compete in export markets."—April 6.

Purchase Tax and Exports

MRS. EIRENE WHITE (Lab., Flint, East): "The effect of Purchase Tax on the export of high quality goods has not been solved . . . We keep telling Lancashire and other textile areas that their one chance is not to compete with Japan with cheap stuff but to go in for the quality markets, and we find that when our manufacturers send their representatives to those markets, as a result of the incidence of the tax at home it is difficult for them to produce the range and variety demanded in the American market, for instance."—April 6.

MR. ANTHONY GREENWOOD (Lab., Rosendale): "I believe that this is a fraudulent tax which was put on during the war in circumstances very different from the circumstances of to-day. It was never intended to be a permanent tax. It is an inflationary tax because it puts up the cost of living. It makes the development of our export lines more difficult. And it means, because of the operation of the D scheme, that there is a lowering of the quality of many of the goods that we produce."—April 6.

Interest on the National Debt

MR. WILLIAM KEENAN (Liverpool, Kirkdale): "The interest on the National Debt has climbed to over £600 million a year. That is more than we pay to the old-age pensioners on contributory and non-contributory pensions. That is something we shall have to look at one day. I am not suggesting that we should repudiate the National Debt . . . We have to pay interest on the Debt for services and wars that took place 100 and more years ago, yet we cannot adequately look after 4½ million of our old people who have served the nation in their younger days."—April 6.

Government Expenditure must be Reduced

MR. GEOFFREY HIRST (Cons., Shipley): "I regard the rate of expenditure and the present increases as a national tragedy. We must do something about it. We must tackle it in various ways . . . a Minister of Cabinet rank must be charged with the job, with the assistance of a Cabinet committee, to go into this problem on a full-time basis, or we must have some form of independent committee to inquire into the administration of the various Departments."—April 7.

SIR ROLAND JENNINGS (Cons., Sheffield, Hallam): "We must have economies in Government . . . This constituent of mine plays a bassoon in an orchestra. He informs me that his instrument cost him under £20, yet children in secondary schools are being provided with bassoons and wind instruments costing £100 each."—April 6.

The Chancellor's Share

MR. RALPH ASSHETON (Cons., Blackburn W.): "One quarter of the income of the average manual worker is to-day taken in direct or indirect taxation. From the more prosperous section of the community more than half is taken, and from the highest incomes more than 90 per cent . . . Two things are bound to happen. One is a depreciation of the currency and the other, as a consequence, is a rise in prices . . . Employers and wage-earners alike feel that further effort is not quite worth while, and certainly business and professional men become extravagant in incurring expenses. As a consequence of this, productivity is reduced and there is a steady decline in the value of savings, benefits and pensions . . ."—April 7.

MR. W. M. F. VANE (Cons., Westmorland): "Hon. gentlemen opposite . . . were not in fact creating an egalitarian society but merely a new one with class differences just as marked as those which they were trying to eliminate . . . It is commonly said that this country was, and still is to some extent, divided between rich and poor. It is now divided between private and official-and-business. The high rate of taxation that we have borne over the last few years has made perquisites of one sort and another far more valuable to a taxpayer at any high level than small additions in hard cash."—April 6.

Restrictive Practices

MR. H. A. PRICE (Cons., Lewisham West): "In private life I am a paper merchant, and if I want to buy a certain kind of paper and go to any of ten or a dozen mills in this country they all quote me the same price, no matter how eager one or more of them may be to quote a lower price. Similarly, having bought the paper and ordered it to a customer, I have to put on a controlled margin of profit, the margin being 6½ per cent for lots of one ton. No matter how willing I may be to put only 5 per cent on, I dare not do so—I must put on 6½ per cent. If I should put on less and it became known, I should be in danger of being blacklisted, and all the mills concerned would be forbidden to supply me with that type of paper in future . . . It is ruling out competition and it is not my idea of private enterprise.

"I read in the press of a woman who was penalized by her union for making 93 cushions in a day instead of 40. For every example of which we learn, as a result of such a disclosure in the national press, there are thousands and possibly hundreds of thousands of similar examples of which we never learn because the work people dare not contravene these rules."—April 6.

Old Age Pensioners

MR. GEORGE CHETWYND (Lab., Stockton-on-Tees): "The poor and the old—especially old age pensioners—spend a far bigger proportion of their income on food than do other sections of the community, and we know from all the surveys that many of them, after paying their necessary expenses have less than 2s. a day to spend on food."—April 6.

"Lower your tariffs while we raise ours"

MR. CLEMENT DAVIES (Liberal, Montgomery): "The Chancellor is encouraging the President and the Government of the United States to remove restrictions. The right hon. gentleman says to them 'Pull down those barriers, and I hope you will succeed . . .' Having said all that, having declared that this was what he wanted and that this was the wise policy, what did he himself propose to do? Put an increased tax on chicory. Is that the message to the President of the United States? Does the Chancellor say, 'Well done, Mr. President; follow my precept but do not follow my example'?"—April 7.

"Freer" trade would improve conditions

MR. JOHN RANKIN (Lab., Glasgow Tradestown): "If we can get a freer flow of trade then I am certain that we shall improve the economic condition not merely of this country but of the entire world and we shall make it easier for the Government to meet the legitimate demands of the old-age pensioners . . ."—April 6.

Welfare and Warfare or Lower Taxation?

MR. CYRIL OSBORNE (Cons., Louth): "There is no escape from the fact if we are to maintain the Welfare State and bear a tremendous arms burden we have to pay very high taxation. We must give up one or the other, or both, if we are to reduce heavy taxation."—April 7.

FORM OF REQUEST

I bequeath, free of duty, to the United Committee for the Taxation of Land Values, Limited, the sum of £.....

THE LAND QUESTION IN PARLIAMENT

Basic Cost of Education

According to MR. G. THOMAS (Lab., Cardiff W.) the Cardiff City Education Committee recently purchased 20 acres of land at a cost of £800 per acre for the site of a school to be built in Lady Mary Road, Cardiff. He asked the Minister of Education, January 21, what contribution her Department would make.

MISS FLORENCE HORSBRUGH said that if she was able to approve the purchase of the site the loan charges incurred by the local authority would be taken into account for main grant under the Education (Local Authorities) Grant Regulations, 1952.

Every penny spent by the Cardiff City Corporation on municipal services such as roads, lighting, drainage, sewerage, water supplies, medical, cultural and social services, etc., has added to the value of this land to the advantage of the so-called owner who can now demand from the community £16,000 for permission to use it for community purposes. Meanwhile, deprived of the land value revenue to which it is entitled, this great city has to seek the central government's approval of its choice of a site and to look hopefully for financial assistance; for a share, that is to say, in the proceeds of the central government's robbery of industry, trade and wages.

Carlton House Terrace

MR. R. R. STOKES (Lab., Ipswich) asked the Minister of Works the total area of Carlton House Terrace on which it was proposed to build the new Foreign Office; how much of this area had been so far acquired; and how much had been paid for it.

SIR D. ECCLES (in a written answer, February 3): The total area of the site of Carlton House Terrace is about 3½ acres. The Commissioners of Crown Lands are the freeholders. No part of the freehold has been acquired by my Department. The leaseholds of Nos. 17, 10 and 11, representing an area of about ½ acre, were acquired in 1948 and 1950 at a cost of £114,500.

Fattening For The Kill

Protectionists who campaign for Britons to be fed as far as possible from Britain's acres, regard as a threat to the nation's larder every house, school, factory, hospital or building of any kind that is erected on farm land, or on land that could be used for food production. But to MR. W. F. VANE (Cons., Westmorland) goes the distinction of implying that food production is more important than road safety. Mr. Vane asked the Minister of Transport and Civil Aviation whether he was satisfied that the normal scale of work on widening roads in country districts and improving visibility on corners was not unnecessarily extravagant in its demands on agricultural land.

According to the "House of Commons, 1951," published by *The Times*, Mr. Vane is a landowner, chartered surveyor and land agent.

Victims of Land Monopoly

For the past twenty years the widening of the stretch of the main Leek Road between the lime kiln and the Milton Cross Roads in Stoke-on-Trent has been under consideration. During that period two children and eight men have been killed and 304 men, women and children have been injured. The Joint Parliamentary Secretary to the Ministry of Transport and Civil Aviation, MR. HUGH MOLSON, gave this information in a written answer, March 3, explaining that "the war and subsequent financial stringency" was responsible for the delay in widening this dangerous road. It is pertinent to enquire whether the cost of acquiring the necessary land is responsible for this dreadful toll of human life and happiness. In the interests of home food production, will the matter receive "consideration" for another decade or two?

Where Free Land Prevails

Coal which comes from colliery refuse dumped into the sea or from submerged outcrops can be salvaged from beaches by anyone. No records are available of the quantities obtained or values.—MR. L. W. JOYNSON-HICKS, Parliamentary Secretary to the Minister of Fuel and Power in a written answer, January 25.

Provided that the beaches are not privately owned, here is one occupation in which men may reap the full fruits of their labour, however meagre. But there's the rub—so many beaches are in private ownership.

In Tanganyika—Africans Dispossessed

MR. OLIVER LYTTTELTON, Secretary of State for the Colonies, in three parliamentary written answers, March 29: "Three hundred and thirty Meru families were removed from the Sanya area in November and December, 1951. Some moved to the resettlement area prepared for them at Kingori, but many preferred to settle with relatives in other parts of the Meru Chiefdom. About 400 families have now settled in Kingori, but it is not known how many of these are former Sanya inhabitants.

"The whole of this land, comprising about 5,800 acres, is now being farmed by Europeans on 99-year leases.

"Serving Government officials may acquire land subject to the approval of the Governor-in-Council and to satisfactory assurance that it is required for purposes of future residence or farming, and not for speculation. Normally, approval for the acquisition of land is only given to officers in their final tour of service, and where it is expected that they will, on retirement, become permanent residents in the territory."

In Nyasaland—Land Bought for Africans

MR. J. JOHNSON (Lab., Rugby) asked the Secretary of State for the Colonies if he was satisfied that the land owned by the Livingstone Bruce Estates, British Central Africa Company and others in the Blantyre District of South Nyasaland was being fully utilized, and what unutilized land he was taking over for controlled settlement by Africans. According to his information approximately 30 per cent of those plantations was not being used.

MR. J. FOSTER, Parliamentary Under-Secretary of State, Commonwealth Relations, replied that the Minister was not "altogether satisfied" with the land situation in Southern Nyasaland but hoped that it would be possible to "secure co-operation with the owners."

Some indication of the nature of that "co-operation" was given by MR. O. LYTTTELTON in reply when asked a similar question by MR. J. HYND (Lab., Accrington) last December 2. The Nyasaland Government had purchased 300,000 acres of undeveloped land held in freehold. He was considering with the Governor what further steps might be taken to ensure the best use of the Protectorate's land resources and claimed that this vast land purchase—amounting to nearly 470 square miles of Africa for the use of Africans—was "a practical step which we have been able to take and which we expect to extend."

MUNICIPAL TAXATION QUESTIONS

New Valuation Lists Further Postponed

MR. H. MACMILLAN, Minister of Housing and Local Government: I have just made an Order postponing the coming into force of the new lists until April, 1956. While the revaluation could be completed at an earlier date on the present basis, I consider it essential to simplify the statutory procedure for appeals and to provide for certain other improvements, such as a new method of rating Gas Boards before the lists are finally deposited. There is not sufficient time in the present Session for the legislation required.—March 11.

Improvements Fined: A Conservative Protests

MR. R. GRAHAM PAGE (Cons., Crosby) asked the Minister of Housing and Local Government, March 9, whether he would take steps to prevent the disincentive to desirable development resulting from the policy of increased assessments for rates when a shopkeeper improves his shop-front. Was he aware of the concern expressed by a number of chambers of trade at the abandonment of development of this kind by shopkeepers for fear of bringing increased rate liability upon their heads? Did he not think that there was a case for treating this type of development as exceptional to the general rating rule?

The Parliamentary Secretary to the Ministry, MR. A. ERNEST MARPLES replied. "Under rating law, if an improvement to a shop or other property appreciably increases its rental value, then its assessment has to be increased." Answering Mr. Page's two supplementary questions, Mr. Marples said; "I should think that if it applied to shops it would have to apply to everything else."

Selective exemptions such as Mr. Page suggests would throw a further burden upon other ratepayers, notably house owners, who already suffer the "disincentive to desirable development" and who similarly go in "fear of bringing increased rate liability upon their heads." However, Mr. Page, a newcomer to the House, performs a useful service in drawing attention to the absurd and vicious effect of taxing improvements, the more welcome since it comes from the Conservative benches.

MR. DONALD WADE (Liberal, Huddersfield W.) had the last word on the matter. Did not the hon. Gentleman agree that the entire basis of assessment is fundamentally wrong, and that it is most unfortunate that where a shopkeeper or any other owner of property improves his property the consequence is that the rates go up?

Privileged Farmers and Manufacturers

MR. ERIC FLETCHER (Lab., Islington E.) asked the Minister of Housing and Local Government what representations he had received from the Metropolitan Boroughs' Standing Joint Committee urging the abolition of derating, and what reply he had made.

Replying, MR. MARPLES said that the Minister had received representations in connection with the review of the Exchequer Equalization Grant urging the abolition of the derating provision of the Local Government Act, 1929, and had replied that he could not regard such a change as a necessary preliminary to further consideration of the review.

MR. RALPH MORLEY (Lab., Itchen) asked when the Minister would take measures to put an end to the derating of agricultural and industrial properties. Had he noticed that nearly all local authorities had had to raise their rates during the forthcoming year? If he was not willing to consider the abolition of derating what additional source of revenue did he propose to place at their disposal?

MR. MARPLES: "The issues are continually under consideration."

MR. E. W. SHORT (Lab., Newcastle-upon-Tyne C.) said that Newcastle loses the equivalent of a 1s. 6d. rate through derating and receives nothing by way of compensation from the Rate Equalization Fund.

MR. G. THOMAS (Lab., Cardiff W.) said that repeal of derating would mean a reduction of 3s. in the £ in the rates in the city of Cardiff.

Exchequer Equalization Grants

MR. A. BLENKINSOP (Lab., Newcastle-on-Tyne E.) asked the Minister of Housing and Local Government (March 16) if he would make a statement about the redistribution of Exchequer Equalization Grants. Because of the further delay in revising rating assessment local authorities, including the City of Newcastle, were being put in the greatest difficulty because they did not receive advantage from any such grant. Would the Minister give some temporary easement to authorities that were in that position?

MR. ERNEST MARPLES, Parliamentary Secretary, answered that full replies had not yet been received from local authorities' associations. In any case Newcastle did not now receive an equalization grant nor would it under the recommendations of the committee that had examined the problem. Asked by SIR T. MOORE (Cons., Ayr) whether he was convinced that the equalization grant system was an improvement on the old block grant, and whether he would allow his Department to think again on the old lines, Mr. Marples said: "We are thinking again on this question. No satisfactory solution has yet been found, but my right hon. Friend is giving great consideration to it."

Total rates for England and Wales for the current year are estimated at £378 millions.—MR. E. MARPLES in a parliamentary written answer, February 16.

MAKING FOOD DEAR

Apples, Mushrooms, Flowers and Tomatoes

By profession SIR ALFRED BOSSOM (Cons., Maidstone) is an architect, but as the representative of a Kentish constituency, he takes a considerable interest in agriculture and horticulture. He asked the President of the Board of Trade, February 3, if he would restrict the import of foreign apples during the main period of marketing the home crop, either by prohibition for that time or by imposing specific duty to prevent the large-scale imports of these foreign apples free of duty at a time when such imports destroy the market for home farmers.

A month later (March 4) Sir Alfred addressed questions in similar terms to the President. Would he take steps to regulate mushroom imports from Eire? Would he review the tariffs on cut flowers and pot plants in accordance with the suggestions already put to him by the National Farmers' Union; and if he could not revise them before the forthcoming summer, would he see that imports do not exceed those of 1953? Was he satisfied that the revised tariff on imported tomatoes would prevent a recurrence of the "serious position" regarding these imports which arose last summer?

Replying, MR. PETER THORNEYCROFT said imports of foreign apples are restricted for balance of payments reasons: the N.F.U. application for the imposition of a duty to protect domestic producers during their marketing season was being considered. *Mushrooms*: to impose quantitative restrictions for the purpose of protection would be contrary to the Government's general commercial policy. *Cut Flowers and Plants*: N.F.U. applications to revise tariffs are under consideration; meanwhile current import arrangements will be maintained. *Tomatoes*: The tariff is the proper method of protection and should prove more satisfactory for all concerned than the arrangements in operation last year.

Branded Cauliflowers

SIR THOMAS DUGDALE, Minister of Agriculture, in a written parliamentary answer, informed SIR ALFRED BOSSOM (Cons., Maidstone) that an application for an Order in Council under the Merchandise Marks Act, 1926, to require imported broccoli and cauliflowers to be marked with an indication of origin had been received and was being considered in accordance with the procedure laid down in the Act.

If such application is granted will cauliflowers and broccoli resemble sticks of seaside rock, their country of origin indelibly stamped from crown to stem? The dissipation of labour on such futility in a world where millions live on the brink of starvation is an outrage against humanity and reason—a further indictment of privilege masquerading as "protection."

Anglo-Japanese Trade Encouraged

"In the recent agreement, the Japanese undertook to maintain their imports from the United Kingdom at not less than the 1953 level, and we secured specific quotas for wool yarns and manufactures, motor cycles, whisky and confectionery, for which the Japanese had made no provision in their current import programme. *The Japanese tariff on most classes of wool cloth is 20 per cent, on motor cycles 30 per cent, on whisky 50 per cent and on confectionery 35 per cent ad valorem.*

"Imports from Japan into the United Kingdom in the second half of 1953 decreased by £3.5 million below the first half; but within the total there were increases in some groups of which the main ones were grain and flour, wood and timber, raw silk, seeds and nuts for oil, and manufactures of wood and timber. These are mainly raw materials and semi-manufactures and do not compete with United Kingdom products to any extent."—MR. D. HEATHCOAT-AMORY, Minister of State, Board of Trade, H. of C., February 23.

Irish Trade Frustrated

MR. R. A. BUTLER, Chancellor of the Exchequer, told LIEUT.-COL. H. M. HYDE (Cons., Belfast N.) that during the past three years approximately 9,000 seizures were made by Customs officers in Northern Ireland for non-payment of duty. The goods were practically all from the Irish Republic and consisted mainly of cigarettes, tobacco, nylon stockings, motor vehicles and sugar.

LETTERS TO THE EDITOR

Tax on Municipal Elections

From C. Arnold-Baker, Secretary, National Association of Parish Councils

In connection with your article entitled "The Intolerable Purchase Tax" in the March issue of *LAND & LIBERTY*, I would like to draw attention to the 25% purchase tax on election ballot papers. This remarkable imposition is a logical consequence of the tax on stationery, which includes writing paper, because the making of a cross is writing. Q.E.D.

The cost of parliamentary elections is repaid by the Treasury, but that of local elections (including this tax) is borne by the authority of the area concerned and ultimately by its ratepayers. If the election is not contested, the tax is not payable because it becomes unnecessary to print the ballot papers.

In other words there is a tax on contested local elections.

Can it ever be right that in a professedly democratic country the central government should tax the democratic processes whereby its local authorities are elected?

African Local Self-Government

From F. Dupuis, Assistant Secretary, International Union for Land-Value Taxation and Free Trade

We cannot avoid feeling impatient with the intolerant attitude of the European settlers in Africa, but at the same time it is much more important for us to show that we are not blind to the causes of that intolerance which derives quite as much from fear as from greed.

The settlers feel that if natives are given equal rights then Europeans will be swamped, and many friends of the Africans—usually living at a safe distance—put forward political claims for Africans which would have that effect. I do not think that we should ever identify ourselves with the demand to give suddenly one-man-one-vote to all the inhabitants of any Colonial territory—any more than we should support political privileges for any section.

In my opinion political progress can best be attained by gradually extending local self-government through native councils and municipalities while the Imperial Government insists on land and taxation laws that will safeguard equal personal rights. Thus the settlers would never be exposed to any tyranny of the majority, and their superior knowledge and technical skill would always secure its due reward though never at the expense of the natives. And I don't see why municipalities, founded and organized entirely by Europeans in situations where no natives were previously residing, should not be allowed to make bye-laws giving reasonable protection to their own way of life.

The settlers are quite justified in resenting attempts or proposals sometimes made to force them into social equality with natives. Everyone has the right to choose his personal friends and associates. The unspoilt Nyasaland peasant I have often found a good fellow in every way, and I have met some excellent educated Yaos, Angoni and Mang'anya, but there are "educated" Africans who often despise the peasants as much as they resent European superiority and can be neither pleasant nor worthy companions.

The cry of the English "progressive" to grant political power and educational facilities to the more vocal section of Africans does not help the peasant and exasperates the settler. If we show our European friends in Africa that we understand this aspect of their fears, I think they might

be more disposed to entertain our suggestions for equal rights in those things that really matter. To suppose that Africans can make progress only by aping European manners and institutions is a very ignorant view.

HENRY GEORGE SCHOOL SPRING TERM CLASSES

Westminster

At 4 Great Smith Street, London, S.W.1

BASIC COURSE: Beginning April 27 and 29. *Tuesdays*, 7 to 9 p.m.

Tutor: K. Critchlow. *Thursdays*, 7 to 9 p.m. Tutor: G. L. Birch.

INTERNATIONAL TRADE: Beginning April 27. *Tuesdays*, 7 to 9 p.m.

Tutor: A. L. Roberts.

Hornsey

At Muswell Hill Branch Library

BASIC COURSE: Beginning April 28. *Wednesdays*, 8 to 10 p.m.

Tutor: R. R. Blundell.

INTERNATIONAL TRADE: Beginning April 28. *Wednesdays*, 8 to 10 p.m. Tutor: C. A. E. Aitken.

Welling

At Welling (Kent) Branch Library

BASIC COURSE: Beginning April 28. *Wednesdays*, 7.45 to 9.45 p.m. Tutor: V. G. Saldji.

Ilford

At Gantshill Branch Library

BASIC COURSE: Beginning April 28. *Wednesdays*, 8 to 10 p.m.

Tutor: R. J. Webster.

Enfield

At George Spicer School, Southbury Road, Enfield

BASIC COURSE: Beginning April 27. *Tuesdays*, 8 to 10 p.m.

Tutor: W. J. Cadman.

Messrs. G. L. Birch and R. J. Webster have joined the panel of tutors and are conducting their first Classes this term.

General Activities. On Monday, April 5, Mr. V. G. Saldji addressed the Richmond Branch of the International Friendship League on "Free Trade or Tariff Barriers," and on April 23 Mr. Charles Aitken gave a talk on the work of the Henry George School to the Surbiton Labour League of Youth.

At a well-attended meeting held at Church House, Westminster, on April 7, students of the School participated in an open discussion on "Answering the Critics," an examination of some of the stock objections raised by opponents of Land Value Taxation.

The School's first ramble (all-day discussion session!) of the season was through Waltham Abbey to Broxbourne, Herts., on Easter Sunday.

Birmingham. The class for the study of the Basic Course which opened in January at the University of Birmingham Buildings reached a successful conclusion on April 9. The Class of ten students was conducted by Mr. R. A. Ward, B.Sc., and Mr. C. F. Parker, Lecturer in Law, and included holders of degrees for Chemistry, Physics, Engineering, Mathematics and Arts. One of them, Mr. L. Woolfson, B.Sc., who supplemented his weekly reading assignment with much other literature on the land question, is preparing to conduct a class himself in September.

The Director of Studies, Mr. V. H. Blundell, travelled up from London to attend the final meeting of the term, when he addressed the class on the subject of Capital and Interest, also outlining the background of the Movement and giving a brief but comprehensive survey of the progress made throughout the world.

It is hoped to arrange informal meetings among students pending the re-opening of the Autumn Term. Mr. Ward and Mr. Parker are to be congratulated on a fine start.

Manchester. A Class for the study of International Trade conducted by Mr. C. S. Lees will open in the course of the next few weeks. It will be based on Henry George's "Protection or Free Trade" and will last for six sessions.

Four London Students Emigrate. Last month Miss Lucy Pringle left for Australia and Mr. Harry Pollard sailed to Canada. Early in May Miss Betty Walden, former editor of the Henry

George School Magazine, removed to Belfast, and Mr. Ted Baush emigrated to Canada. We wish them all every success in their new careers, commending them to members of the Henry George movement in the countries of their adoption from whom we know they will receive warm welcome.

SCOTTISH LEAGUE MEETING

Baillie A. B. MacKay, Vice-President, took the Chair at a joint meeting of the Scottish League for Land Value Taxation and the Glasgow Branch of the Henry George School of Social Science held in Glasgow on March 9, 1954. The attendance was twenty-five, of whom more than half were students or former students of the School.

The Speaker was Mr. A. W. Madsen, who addressed the meeting on "The practical application of Henry George's philosophy." Mr. Madsen began by giving an admirably succinct exposition of the fundamental principles underlying Henry George's teaching on political economy. He then proceeded to describe the practical application of these principles in different parts of the world. To supplement his references to Denmark, Mr. Madsen had examples of that country's land valuation maps which were passed round and proved of much interest to members present.

In the most interesting discussion which followed particular emphasis was placed on the question of local rating, which is attracting so much public attention in Scotland at present. Mr. Madsen had brought with him a number of recent publications issued by the United Committee and it is gratifying to record that they all received a ready sale.

In calling for a vote of thanks to Mr. Madsen, to which the audience responded most heartily, Mr. MacKay said how much they appreciated Mr. Madsen's inspiring address and the time which he had devoted to this most welcome visit to Scotland

R. J. R.

LAND-VALUE TAXATION LEAGUE

The 71st Annual General Meeting of the League will be held at the Abbey Community Centre, Marsham Street, Westminster, S.W.1 (five minutes' walk from LAND & LIBERTY offices), at 6.30 p.m., on Monday, May 24. Members are requested to make every effort to attend.

ESTATE AGENTS' ADVERTISEMENTS

Commercial Building Site. Situate close to Holborn Circus, London, W.C.1. Site area about 4,657 sq. ft. Price freehold £8,500. Larger area could be made available.

Kensington, W.8. Very useful Building Site of about 5,500 sq. ft. Entrances to two streets. Freehold £8,500

Clerkenwell. Cleared site in main-road position. Frontage 100 ft. Area 7,800 sq. ft. Zoned light industry. Freehold £11,000. [This is equivalent to approximately £60,000 per acre.]

Southampton. Valuable Shop Site. In premier multiple trading position and with temporary shop thereon, situate above Bar St. 18 ft. frontage. Site depth, 57 ft. For sale with benefit of Cost of Works Claim under War Damage Acts. Leasehold. Ground Rent £62. Over 70 years unexpired. Price £15,000.

Woodford. Light Industrial Freehold Factory Site For Sale. Approximately 127 ft. x 80 ft. Plans, specification and Bills of Quantities prepared, and Planning permission obtained for erection of steel, brick and concrete building, available to Purchaser. £3,500.

Essex, Metropolitan Area. 3½ acres for immediate development for light industry. Freehold £10,000.

Gidea Park, Essex. 8½ acres for residential development. Freehold £13,500.

Bletchley. Town Centre. 30 ft. plot of land for sale with immediate possession. Multiple position opposite Woolworths. Price £2,500.

London, E.C.1. Charterhouse Square, close to Smithfield and Holborn. Freehold Building Site suitable for office or commercial development. Site area approx. 10,400 sq. ft. Price £30,000. [Equivalent to approx. £120,000 per acre.]

Barbican Area. Near-island site, 6,290 sq. ft., suitable for Offices, Showrooms, etc. Freehold £16,000 or might be let on building lease. Equivalent to approximately £110,000 per acre.

Ewell. Building site for residential development, 1½ acres, including two houses. Freehold £4,000.

Weston-Super-Mare. War-damaged site of "Royal Chambers" having a frontage to High Street (the main multiple street) of 65 ft. and to West Street (one minute from Promenade) of 62 ft. or thereabouts, with an area of 4,500 ft. super (more or less) Formerly occupied as 7 lock-up shops and an office block let to H.M. Inspector of Taxes and other professional firms. Outline Planning Permission for reinstatement of the property has been obtained. There is a very keen demand for office accommodation and high rentals should be obtained in a modern block in this position—opposite Lloyds Bank, 75 yds. from "John Lewis" site, 200 yds. from Winter Gardens. Population of about 40,000 rising to nearly 100,000 in the high season. Price £4,000 Freehold. [Equivalent to approx. £40,000 per acre.]

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Office of the President of the International Union:

Mr. J. Rupert Mason, 1920 Lake Street, San Francisco, 21.