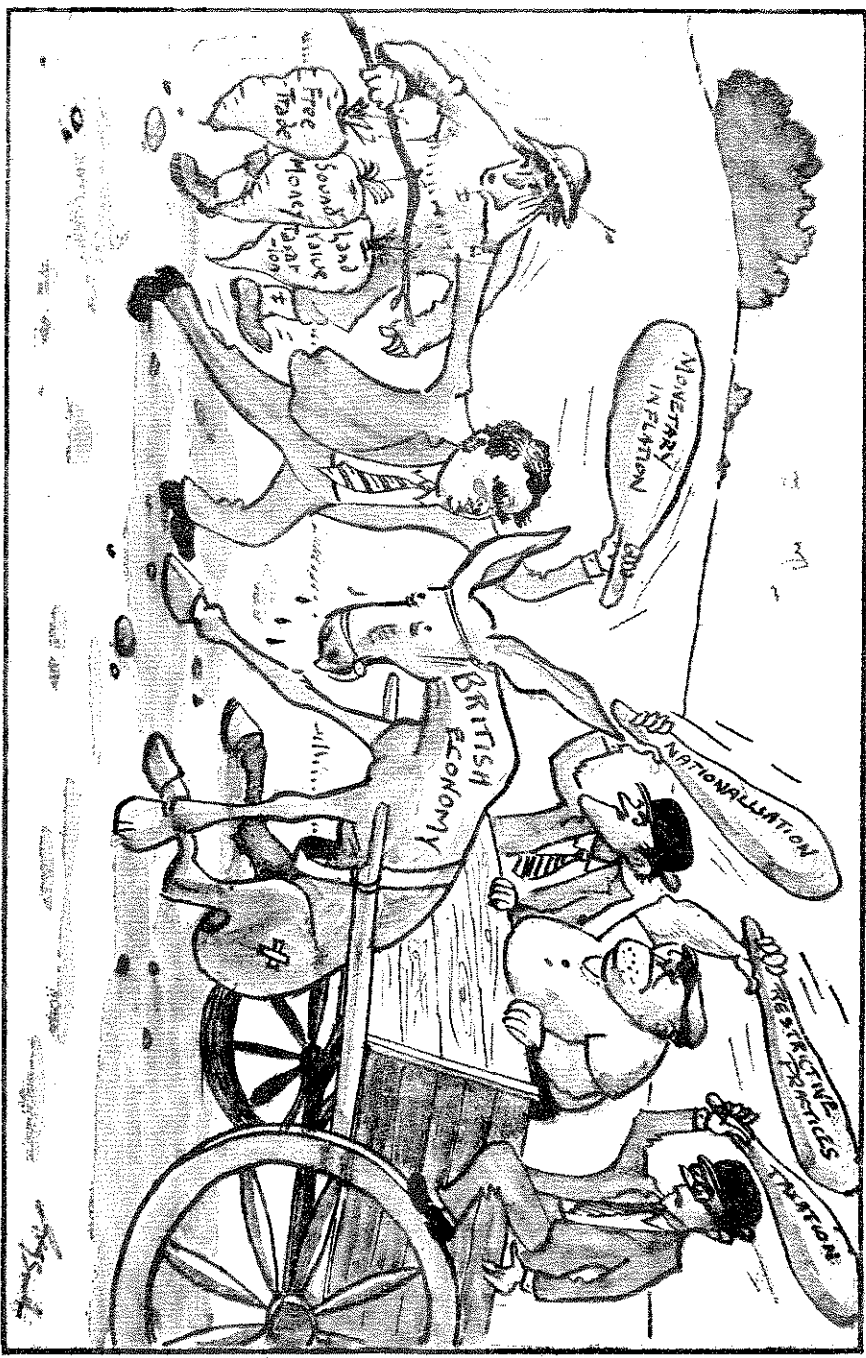


LAND & LIBERTY

JULY & AUGUST, 1976



Layfield—A Damp Squib

"THE non-event of the year" is how one critic has described the report of the committee of enquiry into local government finance* set up two years ago. Certainly there are no revelations, new ideas or startling proposals in the Report. Most of the arguments in it have been bandied about for years among politicians, journalists and interested professional bodies and the only distinctive feature in this Report of 500 pages contain-

* *Local Government Finance*, report of the Committee of Enquiry, published by H.M.S.O. £5.75.

ing the cogitations of the sixteen-man committee led by Mr. Frank Layfield, O.C., is the lack of any fundamental guiding principles as a basis for their conclusions.

Instead, it deals with conflicting principles and interests, all of which must be balanced or modified in some way so as to arrive at yet another compromise to be grafted on to the patchwork of local government legislation that is now on the statute book.

This is not to say that all the recommendations, if viewed within the context of present rating law,

are without merit, as will be seen from the summary of conclusions printed on another page.

Our main concern, however, is to examine the reasons given by the committee for their rejection of site-value rating which are confined to one paragraph in the body of the Report but given four pages in the annex.

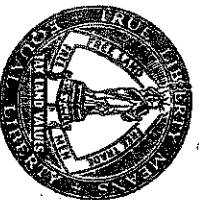
Evidence on the merits of site-value rating was submitted from at least five sources and while it was too much to hope that all the arguments advanced would prove persuasive, it was expected at least

Land & Liberty

*JOURNAL OF THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES LTD.*
177 VAUXHALL BRIDGE ROAD, LONDON, S.W.1
TELEPHONE 01 834 4266

JULY & AUGUST, 1976
Established: JUNE, 1894
Nos. 986 & 987
VOL. LXXXIII
Editor
V. H. BLUNDELL

ISS No. 0023-7574
Annual Subscription:
U.K. and Sterling Area: £2.50
U.S.A. and Canada: \$5
Asst. Editor
R. B. LINLEY



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that the case for site-value rating would be understood and that the committee's statements made about it and upon which they based their conclusions, would be accurate and clear.

The comments and criticism of the committee give the appearance of relying not upon independent thinking but upon previous reports that have rejected site-value rating.

Authority is sought from the *Times* Committee's report despite the fact that its main arguments were torpedoed by the first *Whitstable* Valuation in 1962, and from the government *Green Paper The Future Shape of Local Government** which was universally condemned for its superficial treatment of all aspects of rating reform; largely, it was suspected, due to its being a scissors and paste job cribbed from a variety of selected sources.

In stating the arguments advanced in favour of site-value ratings, the Report says:

"Finally there is the argument that the unrealised value of land is created by the community and not by the owner; site-value rating would enable the community to recover a share of the value."

This, of course, is not the argument for site-value rating at all, but almost word for word, the argument for the development land tax. Under site-value rating the rate or tax is not confined to "unrealised" values but covers all existing land values whether realised or not, provided they are legally realisable.

This blunder is not just a passing slip. It is repeated later:

"Whether site-value rating is an appropriate basis for promoting land use or taxing development gains is debatable."

Stating that the new Development Land Tax will take care of the taxation of development values



the Report continues:

"In these circumstances, a local

* See *Pros and Cons of Site-Value Rating*, a comment by Land & Liberty on the *Green Paper*, Land & Liberty Press 10p.

tax on site values loses its relevance.”

Does it indeed?

Quite apart from these considerations, the committee sees “powerful objections of principle and considerable practical difficulty” in site-value rating. The powerful objections of principle are not mentioned unless they are contained in the committee’s “three tests” of site-value rating which are as follows:

- (i) Whether the tax would foster accountability;
- (ii) how firm the foundation of the tax would be for financing local services;
- (iii) how readily the tax could be absorbed with full effect into the framework of local taxation.

Not only are moral principles—powerful ones—discreetly ignored, so also are economic principles as is evidenced by the statement that “insofar as the burden of the tax were passed on to tenants, the levy would be hidden in rents.” But it is an economic axiom that a tax upon the pure rent of land cannot be shifted on to anyone else.

At one point, the committee seem to grasp the principle of site-value rating as is shown by the statement that the liability for the tax is based on the market rental of the site and that every single parcel of land would have to be valued. But then they say: “In its intention, site-value rating would tax those who would derive the potential benefit of development value.”

Such conflicting statements can only cloud and confuse those not familiar with the principles of site-value rating.

One of the cardinal principles of site-value rating is that no site owner would be taxed upon a value he could not realise and this has been made clear in all literature on the subject and was stressed in the United Committee’s evidence. A garden, a golf course or a parcel of agricultural land would be rated and taxed on the *value of that use only* if any sup-

erior use were forbidden by the planners.

Despite this logical and fair principle, an objection is raised against site-value rating that “It would be unfair to tax owners on the full potential site value in such circumstances,” as though this were proposed.

The problems attendant upon resolving such matters, including other statutory limitations preventing a site owner from realising the full potentiality of his site, are among those considered as having considerable practical difficulty.

But let us take the criteria of the three tests of the committee and see how they have applied them to site-value rating and found it wanting.

(i) *Whether the tax would foster accountability.*

The argument here is that not all site owners live in the same local authority area as that in which their land is sited. Thus they would have no say through the local ballot box as to how their taxes were spent and on matters affecting their assessment.

But the present system, which the committee wish to retain, operates to a comparable extent against this principle in that business firms in a rateable area have no vote; only residents have. The rate on empty properties which belong to “absentee” landlords is also levied without regard for electoral representation.

If it is thought that this principle is an important one, then a change in the local electoral system is the answer.

Finally it must be stated that the accountability argument conflicts with the suggestion that the site tax would be “hidden in rents” in which case the absent site owner, making no contribution, can hardly have a claim to be represented!

(ii) *How firm the foundation of the tax would be for financing local services.*

The committee argues that site-value rating would not provide “a firm or predictable basis for authorities to finance local services.” They consider that the present town planning system would preclude accurate valuations of permissible planning use. “Assessments of site values would

Main Points in the Report of the Layfield Committee of Enquiry into Local Government.

Recommendations

- * Existing rating system should be retained but modified to meet modern conditions.
- * Domestic dwellings should be assessed on capital or selling value in place of present annual or letting value because there is more evidence of the former and declining evidence of the latter through the fall in the number of lettings at market rents.
- * Agricultural land and buildings should be brought into the rating system.
- * A local income tax, to the order of £1,500 million per annum, should be levied as an additional source of income and as a means of strengthening local autonomy. Estimated cost of administration—£100 million a year.
- * The body which spends money should be responsible for raising it and councils should be responsible to their local electors for the money they raise.
- Local income tax proposed would not necessarily lead to increase in overall tax level but would be used to reduce amount of Government grants and thus reduce national taxation.

Possible Further Sources

Tourist taxes, lotteries, vehicle excise tax.

Rejected

Local fuel tax; taxes on profits of local firms; payroll tax; local sales tax; prescribed share of national taxes; rating of site values.

NOTES:

1. Sixty-five per cent of present local expenditure contributed by national government.
2. Three million employees of local government absorb almost half local authority costs in wages and salaries etc.
3. Four-and-a-half million rate-payers enjoy rate rebates or relief.
4. Vacant land makes no contribution to local revenues and it is not proposed to change this.
5. It is not proposed to change the system whereby the more run-down a property becomes the lower its assessment for rates.
6. The Government is not committed to the Layfield report and invites comments from interested parties, which should be submitted by November 30.

* The proposed Development Land Tax will have the exactly opposite effect to site-value rating—what is required is not land nationalisation through the Community Land Act, aided by the Development Land Tax but a free market aided by site-value rating.

often have to be based upon assumptions about the land use likely to be permitted." And why not? It would be up to the planning authorities to confirm or deny an assumed redevelopment use and this might well shake up the planners to the great advantage of everyone.* Indeed this would be an unintended bonus of site-value rating.

In any event, as Mr. Hector Wilks made clear in his valuation of Whitstable, the total hereditaments presenting problems were less than one per cent and of these, about 0.1 per cent presented substantial difficulties (not unresolvable) as to development potential. All the above evidence was before the committee.

The tax base, in short, would be no more unpredictable than that of the present system which has to cope with changes in buildings and improvements—indeed far less we consider.

Says the Report: "The intention of site-value rating is that the owner's liability for the tax is based on the market rental of the site." That is correct. But the Report adds, "This basis means first that the planning system has to be sufficiently detailed and explicit so as to identify for each parcel of land the nature of the permissible development." But it is nonsense to assume that every plot of land in the country has an economic and *marketable* development potential that would have to be ascertained.

(iii) *Practical considerations.*

These include the need for a complete register of land owners and land transactions (which is highly desirable and presents no practical problems as the Danish system testifies); the costs (unspecified) which are evidently not an effective argument against the committee's proposed income tax which is an *additional* cost not a substitute cost; and various other practical difficulties which are "formidable."

Apart from "accountability" which we have dealt with, there is nothing new in the objections catalogued and all have been

answered in advance in the evidence supplied to the committee but have been ignored.

A re-hash of stock objections to site-value rating has been dished up again as though these objections have never been answered, leaving the reader of the Report, if not familiar with the subject, the impression that they are unanswerable.

Yet the committee itself would appear to have little faith in their own objections to site-value rating for, in the final paragraph they say:

"Before final decisions could be taken, a much more thoroughgoing practical study of the operation of site-value rating would be needed than the limited field studies carried out at Whitstable."

Their final comment is that the Community Land Act and the development land tax "effectively remove site-value rating from consideration." This is despite the fact that such legislation will affect only land ripe for development or redevelopment. Millions of properties will remain unaffected. Even so, it is estimated that the full implementation of the Community Land Act is unlikely to be realised until twenty or thirty years hence. Long before this, the Act will be repealed with or without the help of the Conservative Party (who have promised repeal) for, to borrow a phrase from the committee quoted earlier in another context, and to use it with more justification, this legislation inspires "powerful objections of principle and considerable practical difficulty." Formidable in fact.

* * *

THE following comments are taken from the editorial of *Country Life*, May 27:

"The average ratepayer's reaction when he learns that in order to find a more equitable way of financing local government it is proposed to employ 13,000 more civil servants and spend an extra £100 million a year, is likely to be one of horrified disbelief. Yet just such a proposal has been put forward by the Layfield Committee in its report, *Local Government Finance* (HMSO, £5.75), published recently. The Report recommends the introduction of local income tax levied on each resi-

dent's personal income. The object, to achieve more local accountability, has obvious merits, but the cost and complexity must surely make even a country as punch-drunk with bureaucracy as Britain think twice. How effective such a tax would be is debatable. One danger is that people with high incomes will move from expensively taxed to cheaply taxed areas. If adjustments are made to equalise disparities between different areas, then LIT will lose most of its point. The fact is that the taxpayer contributes substantially to local government expenditure, and whether he is worried about the finer points of the way in which it is collected is doubtful. What he is more concerned about is that the burden should be reduced.

"The Report devotes a great deal of space to the question of accountability, and says that many complaints were received by the Committee about local authority spending. Indeed, when it is realised that between 1952 and 1974 the number of local authority employees increased from 1.45 million to nearly 3 million, and that expenditure rose from £900 million in 1950 to the current figure of around £13,000 million, this is hardly surprising. The Report makes several sensible recommendations about monitoring staffing and expenditure, and it is to be hoped that the Government will take determined action to implement them.

"The Report recommends taking the capital value of buildings as a basis for the rating assessment instead of rental values. Site-value rating is rejected, although, since it is local authority services that largely create site values, it would seem a more logical basis for rating than building values. The Report also recommends the rating of agricultural land and buildings on the grounds that "we see no good reason . . . for discrimination in favour of agriculture." Provided that, as is suggested, this new burden on farmers is offset in some other way, there seems no reason for not removing this particular anomaly from the system.

"It is now up to the Government to make up its mind about the re-

* See *Planning, Housing and Land Values* (Ray Thomas) and *Administrative Implications of Site-Value Rating* (Peter Hudson) Land & Liberty Press 25p each.

commendations put forward. The Committee believes that the only way to sustain a vital local democracy is to enlarge the share of local taxation and make councilors more directly accountable to local electorates. But surely a more fundamental and better solution would be to return more responsibility directly to the public in general, with less rates and taxes and greater freedom of choice to the individual to spend his money as he pleases. The Welfare State should act as a safety-net and not as an overstuffed feather bed that suffocates all attempts at enterprise and self-determination."

* * *

EQUALLY incisive was the *East Anglian Daily Times* of May 15:

"Soon after the Labour Government came to office in March, 1974, there was a loud public outcry about the rates. Conservative local government reforms were just coming into effect, with disastrous results.

"The Cabinet had an awkward problem. It could not afford to act, partly because the Party had no official policy on rates, and partly because every available penny had been promised to the unions in the "social contract".

"Equally, it could not afford to do nothing, since it was hoping to win another General Election a few months later. It therefore followed the traditional course taken by all governments which find themselves in this sort of difficulty; it set up a special committee.

"Such a committee consists of a number of worthy and distinguished people, who meet irregularly to listen to speeches given by other worthy and distinguished people. When they have heard everything that anybody has to say, they summarise the proceedings, add their own recommendations, and present the whole thing to the Government.

"The Government then introduces whatever measures its own Party research staff has drawn up, and have been approved by its own Party members. Should these at any point happen to coincide with anything that the committee has proposed, it congratulates itself on having its ideas independently en-

dorsed.

"The committee established to investigate rating was originally supposed to report by the end of 1974, so that the 1975 rates could be amended. Had such a target been achieved, it would have set a speed record; a two-year delay shows distinct evidence of haste.

"It is said that the main recommendation will be the introduction of a local income tax, involving an extra 12,000 bureaucrats and costing an extra £100 million. Such extravagance is obviously not justified, especially in the present economic climate.

"The natural reform would have been the introduction of land value rating; this would have been fair in itself, and would have had the useful side effect of encouraging development. Unfortunately, the cumbersome Community Land Bill seems to have made such a change too difficult.

"It is to be expected, then, that money will continue to be raised much as it is now. The bulk will come from the taxpayer, through Government grants, and the rest will be levied on property values.

"The key point that needs examination is how sharp and unexpected increases of the sort seen in 1974 and 1975 can be prevented. These caused untold suffering and distress to many people, particularly those on fixed incomes.

"Perhaps the Government should act by raising the Exchequer subsidy; perhaps the local authority should act by cutting its expenditures to the level its ratepayers can afford. As we have seen, neither of these things happened.

"The only possible alternative would be to insist that all major public expenditure should be approved by the ratepayers, by referendum. The householder would then, at least, know how far he was putting himself into debt, and be prepared when the bills were presented to him."

OPPOSITION'S LAND "POLICY"

THE latest attempt at an assault upon the land problem, the Community Land Act, commenced operation on April 6. Its fiscal ally, the Development Land Tax becomes functional on August 1. Both, in their own way, are potent pieces of socialist legislation yet

little has been heard about them from the opposition, beyond general condemnation.

But in a recent speech to the British Property Federation, Timothy Raison, Conservative M.P. for Aylesbury, outlined his party's policy towards land. He recognised that the first essential was stability of legislation instead of the accustomed legislate/peal double act of alternating Labour and Conservative governments, and established that his party, like the Labour party, regarded gains from betterment as rather different from other types of gain and thus a fit object of taxation.

The tax upon betterment should not, however, be too high, he said, otherwise it would become a deterrent to those who would otherwise bring their land forward for development. In Standing Committee, Mr. Raison pointed out, the Conservatives had proposed a 60 per cent rate of Development Land Tax instead of the Government's 80 per cent rising to 100 per cent. Hardly an alternative policy.

A better though weak alternative would have been a return to the last Conservative Government's proposed land hoarding charge, which, ineffectual though it might have been, at least had the merit of fining a particular kind of inactivity which deprived the community of the use of part of its natural resources instead of taxing the occasion of contemplated development.

On the Community Land Act itself, Conservatives can find themselves on far firmer and more familiar ground: the rejection of the underlying principle that public ownership is desirable for its own sake; the extravagant bureaucracy and the superfluity of the Act, since what needs to be done can be done via taxation.

This latter point is a good one and one which Conservatives could put to better effect if they would recognise that while the taxation of betterment does indeed have a disincentive effect upon development, as Mr. Raison acknowledged, the taxation of economic rent penalises only land misuse and speculation, the very element in the market which both Labour and Conservatives regard as distasteful and harmful.



THE ARROGANCE OF MAN

Four essays by A. J. Carter

1. THE NATURAL ENVIRONMENT

"The confidence in his own resourcefulness which has enthused western man since the Renaissance insists in him the conviction that there are no bounds to his mastery of nature."

THE odds must now be against mankind's survival into the twenty-first century. As the hazards multiply, so do the chances of disaster. Men cannot indefinitely stockpile nuclear weapons without detonating them, lethal chemicals and bacteria without releasing them, or radioactive isotopes without becoming exposed to them. If a small quantity of dynamite explodes there may be a serious but local accident; if a minute quantity of nerve gas is let loose there may be a final and universal accident. Man has created stuff so dangerous that it must not be deliberately used, or allowed to leak out or be stolen, ever.

This is beyond man's capacity to achieve. Because human beings are not perfect, they cannot devise foolproof defences against every known contingency even in the short term (mental aberration, earthquakes, aerial bombardment for ransom?), still less prepare for the unforeseeable in the long term. Already hydrogen bombs have been mislaid and recovered, failsafe devices have jammed, and nerve gas has escaped and dispersed, yet radioactive waste from nuclear power stations has to be shielded from human contact for hundreds of years. Plutonium, an artificial element extremely damaging to living organisms, has to be shielded for hundreds of thousands of years, a proposition so absurd that, if the manufacture of plutonium goes on, it is certain that mankind is under sentence of death.

The confidence in his own resourcefulness which has enthused western man since the Renaissance insists in him the conviction that there are no bounds to his mastery of nature. Man can assuredly work many wondrous spells, but he is so intoxicated with success that he does not know when to stop. Like the sorcerer's apprentice, he dabbles in magic whose repercussions he can no longer foretell.

Never in the past has the natural world been so abused. Throughout history the sequences of nature have been accepted as the indisputable background to human events. The ancient peoples who lived on the banks of flooding rivers farmed the fertile land with thankfulness, and out of that fertility sprang noble and enduring civilizations. What would have happened to the early Egyptians if they had diverted the course of the Nile?

The agrarian tradition is to husband the land, but industrial societies use land recklessly, squander irreplaceable metals and fuels, pollute abundantly, disturb the ecological equilibrium and imperil the condi-

tions for subsistence. The natural domain is exploited for immediate satisfaction when it should be conserved to meet perennial human needs, the earth being treated not as a capital asset but as an object of current consumption, without heed for the future. The earth is the home of the whole of mankind; as individuals we are merely tenants for our brief stay upon it. The land surface of the planet, with the atmosphere above and the minerals below, is a gift to all human beings: to those who have lived and died, to those who live now, and to those who are not yet born. Primitive peoples appreciate this, but the sophisticated are blind to it. They parcel up the earth and deliver it into ownership as if it were property, to be bought and sold like a commodity.

If natural reserves are not to be depleted, men must reconsider the sort of technology they want, the amount of energy they burn and the manner in which that energy is obtained. Attention should be given to the recycling of materials, the production of goods that last and the utilization of sources of energy that are not going to run out or jeopardize human life. It is wiser to harness the energy of the sun, the wind and the water than to unleash nuclear power which could contaminate the environment in perpetuity. Such natural methods of energy generation are suitable for the poorer developing countries and could supersede existing nuclear power programmes, so avoiding dissemination and misuse of nuclear capability and the risks inherent in storing and shifting toxic substances.

However, it may be that the industrialized countries in the west and elsewhere will have to curtail their demand for energy and their output of goods and learn to reaffirm personal attributes. The acquisition of wealth is honourable but more fittingly a means to human fulfilment than an end in itself. Happiness could be enhanced if the accumulation of goods of diminishing utility were to give way to a simpler style of living.

Ownership of the earth enables some to command what is meant for all and others to command nothing. It is the root cause of inequality among people everywhere. It is also the root cause of dissension among nations, for the nation state has its origin in the corporate ownership of territory. As some individuals have larger or more precious chunks of the earth than others, so do some nations, which they claim to be theirs by occupation and which they retain by military force. True equality of opportunity lies in the

equal rights of all human beings to the bounty of nature. Crops belong to those who cultivate them and the treasures under the ground to those who extract them, but royalties from the oil in the oil fields of Abu Dhabi should be apportioned not among the natives of Abu Dhabi, nor even among the population of the Arabian peninsula, but among the people of the world.

Today sovereignty is vested in the nation state: national governments regulate local governments but are not themselves regulated. This arrangement is not immutable, for empires may embrace many nations and cities may be states. The international order is not predestined to consist of sovereign nations (with the corollary that every nation has one voice whatever its population), nor is the only alternative a world super-state synthesized from the nation states. Rather, the aim should be to dismantle the barriers among states and encourage the association of individuals. As it is not necessary for Christian denominations to unite but only for a flowering of Christian fellowship to render the denominational divisions of no importance, so it is not the amalgamation of states that is required but the breaking down of statehood, a reversion from the concept of the sovereignty of states which direct citizens, to that of the sovereignty of individuals who elect governments.

One of the most fruitful forms of cooperation transcending national frontiers is trade, which arises spontaneously but is all too often subjected to political hindrance. Free international trade promotes the interdependence of peoples and contributes to the maintenance of peace.

(to be continued)

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* * *

GEORGE MUSSON

WE regret to announce the death of George Musson of Derbyshire at the end of May. He was eighty three and had been ill for some time. George Musson, an ardent advocate of the ideas of Henry George was, until his health precluded it, a regular attendee at conferences of the International Union for Land Value Taxation and Free Trade where he lived up sessions with his outspoken comments.

He was a life-long Labour Party supporter which he did not regard as inconsistent with his Georgeist views for he was no slavish follower of socialist doctrine or Labour Party policies.

He will be remembered and missed. To his family go our sincere condolences.

A Problem Naboth's

NICHOLLA

"There can be no lasting justice where one part of rest of mankind as a condition whereby they may Malthus, wrapped the subject up in gloomy forebodings, giving to economics the reputation of being the dismal science.

Over the past hundred years or so, many books on the land question have been written, such as Graham Peace's *The Great Robbery* and J. L. and Barbara Hammond's *The Village Labourer*. William Ogilvie, Thomas Spence, Patrick Edward Dove and the great naturalist and contemporary of Charles Darwin, Alfred Russell Wallace with his book *Land Nationalisation, Its Necessity and Its Aims*, all wrote well and eloquently on the iniquities arising out of land monopoly as it affected the society they were familiar with.

A new and welcome addition to the subject has recently been published.* It is essentially a history of the many attempts at land reform over a period of some seventy-five years. The author is Dr. Roy Douglas. I have no hesitation in recommending it as essential reading for those who see in sound land reform a fundamental requirement for the free and liberal commonwealth. Rent is the great equaliser. Its appropriation by the community leaves men and women free to enjoy the fruits of their efforts and skills. There can be no lasting justice in a world where one part of humanity controls the land, exacting tribute from the rest of mankind as a condition whereby they may have use of and access to nature's broad acres, without which human progress and development are inhibited.

In the eighteenth century owning land was synonymous with political power and influence; the landed aristocracy were virtually unassailable in the security they enjoyed in influencing the conduct of the nation's affairs. The landless majority were reduced to being hired servants without security or rights. To be a peer and member of the landed aristocracy was to be above the law to the extent that one could not be arrested for debt, have one's estates impounded, or be made bankrupt. The privileges they enjoyed were legion. The middle of the nineteenth century has seen the abolition of the Corn Laws, the adoption of free trade and the rise of a prosperous middle class of businessmen, tradesmen and the professional classes. Their influence in the House of Commons was growing with the widening of the franchise. In spite of the increased influence of the rising middle classes, land monopoly was still a powerful interest to be reckoned with. To be landless and poor was

IN his lengthy biography of Henry George, published in 1952, Charles Albro Barker refers to a meeting between the former and the noted economic historian, Professor James E. Thorold Rogers of Oxford University. The two met during one of George's visits to the U.K. According to Barker, Thorold Rogers is alleged to have told George that "Of all the thieves in the world, the landowners of England are the worst and the most unscrupulous." These are harsh words, but it should be remembered that the history of land tenure up to (and including) the times when both George and the controversial Oxford Professor were in their prime as outspoken critics of historic landlordism, was bitter. Much of this resentment arose from the long history of rapacious landlordism; the social and economic consequences arising from the many Acts of enclosure, which had robbed the English peasant of his rights in common land; the Highland clearances which pauperised the Scottish Highlanders; and the resented absentee landlords who were a perpetual thorn in the side of Irish rural politics.

However much we may deplore the failure of successive British governments to bring about a just system of land tenure, it would be an unnecessary exaggeration to describe contemporary British landowners (of whatever hue) in such blunt and uncompromising terms as were ascribed to the late radical professor.

The rot, which has bedevilled the many attempts to put right a long and nagging injustice, probably began with the dissolution of the monasteries during the reign of the Tudors. Thorold Rogers, whose monumental researches and painstaking studies culminated in a scholarly economic history entitled *Six Centuries of Work and Wages*, did not mince his words as may be seen from the following quotation: "I contend that from 1563 to 1824, a conspiracy concocted by the law and carried out by parties interested in its success, was entered into, to cheat the English workman of his wages, to tie him to the soil, to deprive him of hope and to degrade him into irremediable poverty."

Rogers was not alone in holding such partisan views, as readers of *Progress and Poverty* can testify. Way back in 1776, the sage of Kircaldy, Adam Smith, noted in *The Wealth of Nations* that, "As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce." Though George found the economic answer to the riddle of land and rent from Ricardo's theory on the subject, and wished to collect land rent for public use—in the process freeing the land for everyone's benefit and use—I have long considered that his affinity to Adam Smith was greater than to Ricardo. Whereas Smith and George brought to the subject a humanity and the spirit of progress if only mankind would obey the laws of nature and use their common sense, Ricardo, like

**Land, People and Politics*, Roy Douglas. Allison & Busby, 239pp., £6.50.

as Old as Vineyard

BILITCH

humanity controls the land, exacting tribute from the have use of and access to nature's broad acres."

the lot of a growing proletariat who were for the most part descendants of forebears who had been dispossessed of their common rights in land.

That such conditions no longer prevail is not to infer that a solution to the land problem is no longer to be the subject of reform. More people own some land than ever before, but the basic problem of "freeing the land" remains.

Roy Douglas has provided a most useful account of the many attempts to reform the law as it affects our rights to land; and how, in the process, this altered the pattern of British politics, the conflict being often bitter and violent. It was not unknown for troops to be called in aid of the civil authorities. More than any other event, landlordism probably brought about the ultimate breach between Ireland and the rest of the British Isles. The first serious attempt to bring about comprehensive land reform was Lloyd George's "People's Budget" of 1909, whose provisions allowed for a valuation list of all land in the United Kingdom. The taxes to be levied on land were derisory and of little significance, but the prospect of a nationwide land valuation would have provided the essential foundation for the eventual collection of economic rent for the public purse; also, assuredly, it would have led eventually to a more just distribution of land among the people of Britain.

It is a sad reflection of the times we live in that the growth of the welfare state and an increasingly state-managed economy have so obscured the problem posed by the land question, that the subject is nowadays treated as a minor irritant requiring legislation to facilitate the *dirigiste* mania for centralised economic planning. The Liberal Party, who once placed land reform (together with free trade and the balanced budget) as the cornerstone of their economic policy, have reduced the former to a parochial debate on financing part of local government expenditure through site-value rating. Useful though such a measure would be, it would fail to perform the important function of freeing land so that none should be called upon to pay tribute to landlords for the right of access to land, while retaining the equally important right of all to enjoy security of tenure to such lands as they may need for the purpose of work, pleasure and a home.

Over the past fifty years we have abandoned free trade; balanced budgets are for nostalgia only; and a sound land reform policy is as far from being achieved as ever, the present Government having

saddled the people of Britain with a bureaucratic nightmare of monumental proportions—the Community Land Act. To add insult to injury and stupidity we have attempted to inflate our way out of every self-imposed economic difficulty.

Attempts to persuade politicians (and others) that land-value taxation is the only viable means of bringing about universal rights to land are parried with the age-old objections of the sanctity of private property, and the injustice it would cause to "widows, orphans and pensioners." In fact, the same objections which greeted attempts to abolish slavery! It leaves one with the despairing thought that the greatest obstacle to human progress is not merely ignorance and unsound thinking, but that vast phantom army of widows and their many dependents.

Most attempts at social and political reform have a regrettable tendency to be over-concerned with reconciling sectional "interests" and the preservation (or creation) of group privileges. The welfare state, which has dominated British politics these past seventy years, has bypassed intelligent economic reform, providing in its place the subsidised council house and a great deal of ill-conceived rent control legislation, thereby creating a new privileged class—the protected tenant, euphemistically known as the "sitting tenant." It is this kind of sophistry which constantly irritated and angered the late Thorold Rogers, who exclaimed, when ending a lecture to his Oxford students: "Governments have been too weak or too dishonest to be sensible, and are consequently crippling the intelligence of those whose affairs they administer, by pandering to the foolish, dangerous and wholly unjust dictum, that private interests are public benefits."

By way of conclusion, Roy Douglas would, no doubt, concur with a view expressed by the late Professor C. R. Fay in his classic work *The Corn Laws and Social England*:

"Where the rent of land for a particular use in competition with other uses is being considered, then rent is part of the cost of production; but where land as a whole is being considered, it is not: it is then emphatically a result and not a cause: it does not enter then into the cost of production. When Adam Smith was writing, the land of England, and of Scotland even more, was very much in the making. There was no suggestion of finality. Land usage, therefore, did not suggest exclusive monopoly. There were hundreds of square miles **awaiting enclosure* and cultivation, even in island Britain. The sore spot was *not the scarcity of land* as a whole but *the desire of enclosing landlords* for coveted pieces—a problem as old as Naboth's vineyard." [Naboth was an Israelite whose vineyard was seized by King Ahab after Naboth had refused to sell it and had been stoned to death on the orders of Jezebel the King's wife (I Kings 21.)]

*My italics.

Not So Free Enterprise

MEASURES already operative or in the pipeline "will, within the lifetime of most of us, qualify Britain to become a member of Comecon (the Soviet version of the Common Market)," says Russell Lewis, in an Aims for Freedom and Enterprise study.*

The socialist societies of the eastern bloc are not wholly socialist, says Mr. Lewis. "The enterprise which makes even the Soviet economy tick is based on the freedom of some people . . . the peasants on their private plots, the fixers in the wasteland of Soviet economic planning, and the managers in their factories . . . The decision-takers have rights denied to the rest of the community and, in return, they up to a point deliver the results their masters require.

"In contemporary Britain, by contrast, the opposite is happening. The position of the managers is steadily worsening. Rising taxes add to the weight of business overheads, reduce net profits, diminish reserves and erode incentives.

"The abiding weakness of State industry which invariably makes it a drag on the economy is not only that it is cushioned from market pressures by the taxpayer. Still more important, the managers are never quite free to get on with their job of production and, in this respect, are worse placed than their counterparts either in the Soviet Union or in free-enterprise firms here, because politicians interfere with them, especially over pricing and redundancy.

"All the signs are that the National Enterprise Board will be no more inhibited than Mr. Benn intended it to be about buying up or into any company that takes its fancy. A large part of British industry and commerce will be tied up in planning agreements, any failure to achieve the targets of which will presumably fall under the heading of "failing the nation" and will make them easy game for takeover or victimisation should they do anything to displease the

THE best economic system is one broken down into as small parts as are economically possible and where those parts are run by the constituency for whom they are supposed to operate; and here, if anything happens that is harmful or corrupt, the victims have nobody to blame but themselves.

—Ralph Nader

Minister or his minions.

"One does not find free societies—not anyway in anything like the form we could recognise—except where one also finds the institutions of the free market and the private ownership of property.

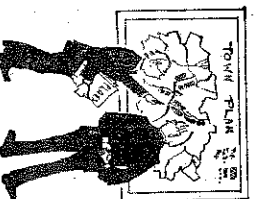
"Democratic politicians seemed to vie with one another to treat the free enterprise goose like a battery hen, and the result has been a debasement of the golden eggs, by means of inflation, which, as Lenin long ago observed, is the surest way to destroy capitalism."

Cost of Planning Delays

THE costs incurred by developers due to town planning delays often now comprise a significant element in the cost of housebuilding, according to a recent report.

Mr. Brian De'Ath, who runs a small building company, says: "In the past two years alone I reckon the delays have added £3,000 to the price of each house, and over the whole period the prices will have doubled from £7,000 or so to nearer £20,000."

Wates, one of the largest house-builders, are considering suing Surrey County Council for up to £350,000 worth of costs incurred during the past four years of negotiations for a £100 millions project. Planning delays are now so



widespread that the problem merits a sub-committee of the Commons Select Committee on

Expenditure, which is to examine the system of land-use planning to find out why the delays occur.

The land and planning spokesman for the National Housebuilders Federation, Roger Humbert, claims that planners have forgotten their prime function and instead are trying to be architects: "I have come across a case where they were arguing over the depth of the groove in the wooden doors of garages on a private estate. They frequently try to change the type of window for cosmetic reasons—and then go on to specify the size of the window pane. They may be pursuing excellence, but they seem to have forgotten the maximum laid down by the Department of the Environment—their ultimate boss—in Circular 9/76: 'The best is often the enemy of the good.'"

Books Received

Civilization on Square Wheels by W. Stuart Morrell. Vantage Press, Inc. N.Y. USA \$5.95.

Agrarian Reform and Agrarian Reformism by David Lehmann. Faber & Faber, paperback £1.80.

Climate and the Environment by J. F. Griffiths. Paul Elek, £2.95.

Defending the Undefendable by Walter Block. Fleet Press Corporation NY, USA. \$9.95.

Food and Poverty by Radha Sinha. Croom Helm Ltd, £6.50.

MARGARET BATEMAN

Margaret Bateman became interested in the philosophy of Henry George through the late John Anderson of Montreal who started the Henry George School of Social Science in Montreal in 1938. Margaret Bateman taught in those early classes and helped Mr. Anderson to get the School on its way.

In 1941 Margaret was invited to become assistant director of the Henry George School in New York and in a few years became director upon the resignation of the late Mr. Frank Chodorov. She held that position until about 1950 when ill health forced her to resign. She was author of *Whose World?* a compendium of land tenures throughout the world.

After twenty-three years of increasingly serious heart condition, she died early in March 1976.

STRETHEL WALTON

Land, Culture and the Biology

of Man (PART III)

FRED HARRISON.

"The challenge to man today is to undo the mistake of our (comparatively recent) ancestors, and transform rights to land back to their multi-dimensional form, serving the interests of both the individual and of society."

ASCRIPTION of rights to land to all groups in human societies, up until recent times, constituted the mechanism for ensuring stability: for it guaranteed material security for everyone. Social structures were not rigid, but were flexibly tailored to ensure a high-level adaptation to the natural resources on which mankind depended for his survival and evolution. But never was the right to life, through guaranteed access to land, sacrificed.

Disruption of traditional land tenure rights brought about dramatic changes in social relationships. The depth of those changes have not yet been fully plumbed: but the consequences have been injurious.

We are familiar with the agonising social and economic results of the Enclosures in Britain. Some of the impact on us is lost, however, since the processes dragged out over many decades. But there are recent examples which we can examine. One, a tribe in Morocco—the *Ait Ndhir*—find themselves and their social constitution presented with a similar breakdown: "Massive acquisition of tribal land for agricultural colonisation and the forced introduction of private property . . . led to the breakdown of the tribal framework and . . . the formation of a landless, atomised rural proletariat."

Competition between traditional values and practices and those invoked by modern judicial systems based on the European model, gives rise to profound social and psychological disorientation. Sharman has detailed such a conflict within the *Adhola*, a tribe in Uganda.² She shows how land disputes can be settled by the clan chiefs, but in some significant way altered in the courts. There is a direct conflict over the principles to be applied by these two sources of authority. While the clans are concerned to emphasise the rights to use land, "The government courts uphold the right of individuals to alienate land over which they have rights of allocation, and to allocate land without reference to their traditional obligations."

Unscrupulous members of the tribe, who think they might succeed in litigation, can enhance their proprietary rights by going direct to the courts, which "do not distinguish between rights of alienation, rights of allocation and rights of use, so that where rights of use are upheld they are transformed into rights of administration and alienation."

The clan chiefs, not surprisingly, were dissatisfied with the conflict between the two approaches. They wished to retain the traditional system of multiple

rights based on personal status, whereas the courts conducted their reasoning on the basis of contracts and absolute rights. While the traditional system could protect the rights of those who needed, but lacked land, the government courts disregarded need and favoured those who possessed, and could produce proof of a right to the use of a piece of land.

Groups in conflict

Conflict over land at the individual level is paralleled by conflict at the higher level of groups. The causes, however, are frequently disguised (religion is a favourite "explanation" of friction). For while the cause of tension in relatively simple societies like the *Ait Ndhir* appears clear enough, where cause and effect have been telescoped into short periods of time, problems arise when we turn to complex societies like the UK. We shall refer to two problems, Ulster and the devolution of power.

The working class people of Northern Ireland are daily at each other's throats; horrifying murders are now routine events. The cause? The most potent theory for criticising Western political democracies, Marxism, is rendered mute. For according to that ideology, the working class (comprised of Catholics and Protestants) ought to be united in directing its fury at capitalists—not each other.

The demand for devolution of power to Scotland and Wales and even the regions of England (with some people in Cornwall already claiming the ancient right to set up its own Parliament) is threatening the political stability of the rest of the UK. Why, after centuries of political and economic unification, do the Scots and Welsh vigorously demand recognition—institutionalised in Parliaments set up on their own soil—of their differences?

Orthodox political science, placing emphasis on institutions, on administrative efficiency, on the disbursement of benefits, is no better equipped to explain these phenomena than Marxist dogma. The explanation has to be sought in the primordial territorial loyalties of groups of people, the complex elements which give them their identities and constitute their unique cultures; these are the things which lead them to challenge the sanctity and strength of the modern political state.

Only by a thorough understanding of the synthesis (through evolutionary time-scales) of groups of people with their physical environment—an interaction which heavily determined the substance of their cultures—

can we understand why thousands of *Ibos* gave up their lives in a bid to separate from Nigeria; why the people of East Pakistan insisted on breaking up the state of Pakistan to create their own territorial identity, Bangladesh. Similarly—but in the opposite direction—why so many peasants of North Vietnam died in their bid to unite with their kin in the south; why so many citizens of Cyprus identify with Greece as their motherland.

Only then can we see how the transformation from communal rights to land into private rights has been a fundamental cause of disequilibrium in social systems. Only then can we understand the dynamics of change in the contemporary world, which are seeking to undo the work of the European powers which over three centuries have amalgamated territorial peoples into artificial political unions within borders which have no cultural or biological validity. Only then can we begin to get down to the work of redefining rights to land which, harmonised with the fundamental principles developed over not thousands but millions of years, will serve the future interests of mankind.

Ancient and modern societies

Societies have functioned as stable units because they implicitly recognised the need for a communal basis to land rights. These rights, as we have seen, subsist in groups—rather than individuals—and are founded on need for, and the actual use of, land.

These latter principles are abstracted from land tenure systems in their various forms employed throughout time in contrasting ecological environments. Their persistence has not been due to a convenient accident. They were built into the genetic structure of man the social animal. There is no other way to account for their presence in different social systems and persistence through time; only now are we beginning to understand the significant causal relationship between genetics and cultural forms. As Hamilton affirms: "Thus we would expect the genetic system to have various inbuilt safeguards and to provide, not a blank sheet for individual cultural development, but a sheet at least lightly scrawled with certain tentative outlines."

The challenge to man today is to undo the mistake of our (comparatively recent) ancestors, and transform rights to land back to their multi-dimensional form (serving the interests of both the individual and of society) and to ensure that possessory rights are grounded in need and use. We argue that the system which meets modern needs takes a fiscal form: the distribution of land values among the community through the taxation system—the taxation of land values, which was effectively the system adopted by human civilisations extending back several thousands of years. We can examine the efficacy of our proposed solution in the context of some of the awesome problems which need to be—and eventually must be—tackled. We shall examine two (related)

problems: food shortage, and despoliation of the environment.

The UN estimates that about 460 million people—



about 15 per cent of the total world population—are suffering from malnutrition. If anything, this is an under-estimate. Now one way of tackling the problem is the creation of more family farms on the huge tracts which are either idle (but privately owned, therefore excluding those in need) or, through their very size, are farmed at below optimum levels. Land reform programmes in the third world aim to resettle people on to land. Where this is actually accomplished, two main results can be discerned: (1) less pressure on urban areas, and (2) increased food output, due to improved productivity.

But what of the people who are not included or who are left behind in the urban slums? Are they to be denied a share of the benefits? And why should those on the land be free to enjoy the higher economic rent which results from increased yields? An *ad valorem* land tax slices a part of the farmer's income away from him—the part he had no hand in creating—and enables a government to disburse it for the well-being of the whole community.

And now, the ecological hazards facing mankind. From north-west India, to Senegal and Chad in Africa, the sands of the deserts are creeping over the natural fertility which sustains life. Peasants in highland Pakistan and the valleys of Indonesia cut down saplings for firewood and trigger off soil erosion which in turn floods the fertile plains, silting up the irrigation channels and smashing the ecosystems built up over millions of years. The lesson is clear: somehow, to restore the earth to its natural fertility, man has to engage in a gigantic crusade aimed at conserving the existing environment—only then can the deserts be pushed back.

But who is to undertake such a task? Individuals have neither the strength nor the resources. Clearly, it must be a communal task. Let us assume, then, that man has the wisdom to undertake such a land reclamation project; let us assume that the resources are channelled into developing the skills which enable us to turn infertile soil into lush gardens of wheat and fruit. Who should own that land? Which theory of property rights is consonant with the objective?

It would be anathema to justice if such land, having been converted from desert to grassland, were owned privately by individuals! Ought it not to be recognised as the property of the whole community? And yet, the physical work of watering and planting the

edge of the desert would be performed by individuals, people who loved the land, enjoyed lives paced by the seasons of nature; these people, too, must receive their rewards. How can their interests be harmonised with the rights of the community? Again, we can reach no conclusion other than the institution of a tax on the value of land. For this fiscal measure both guarantees returns for labour expended on the land, and ensures the creation of a social fund from which to finance the arts of civilisation (which include the development of knowledge and resources for pushing back the encroaching deserts).

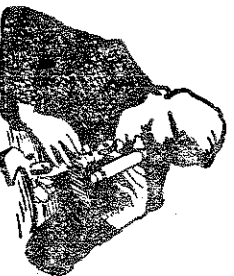
In search of answers

The foregoing conclusion may seem self-evident; yet the ethic which dominates the non-communist world today is that of private property which, when related to land, is barely decades old in most countries of the world, and only a matter of hundreds of years old in a few European countries (though traceable back to its socially-significant origins in the Classical world—with which, not surprisingly, we associate slavery on the massive, institutionalized scale).

It was the new ethic of private property in land which turned brother against brother, and suspended the biosocial constraints which inhibited groups from coveting their neighbour's territories. It was in immediate need of correction from the moment that John Locke gave it philosophical respectability. And yet, apart from the remarkable efforts made by Henry George in the latter part of the nineteenth century, the idea that it was legitimate to own land despite the needs of others has gone substantially unquestioned.

Hitherto, the challenges to the ethic of private property in land have been founded on religion (which in this scientific age is for many people an unacceptable basis for implementing drastic reforms) or on the overkill dogma of socialism.

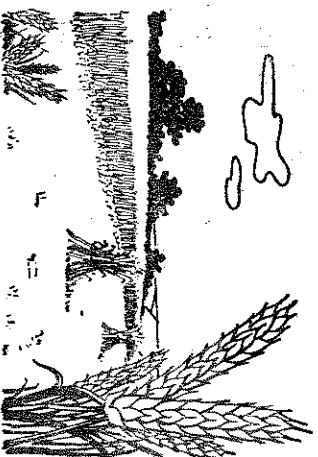
The past twenty years, however, have seen the accumulation of a vast store of new knowledge, pieced together by archaeologists, anthropologists, biologists, ethologists and other scientists. This information enables us to launch a devastating attack on the sanctity of private property in land—an attack scientific in approach and marshalling the history of all territorial species (not just man) behind it.



Unfortunately, the scientific evidence has not been used to best effect because the interpretation of the results have been ethnocentric—seen through the

eyes of men conditioned by European culture. Note, for example, this passage from Wynne-Edwards' book *Animal Dispersion*:

"It can be surmised that, as the society increases in size and complexity, with the growth of personal and family wealth in servants, cattle, land, domestic equipment, robes, jewels and gold, and with the consequent widening of range in social standing between the richest and the poorest, the noblest and



humblest, the principle of heritable possessions becomes firmly established. It follows, necessarily in a simplified and largely sex-limited manner, the natural course of inheritance of genetic factors from parent to offspring, and has grown out of the general custom in animal societies that property held by the social unit is retained in their possession by each succeeding generation."

Wynne-Edwards here uses biological and ethological evidence to justify private ownership of land. In doing so, he makes some fundamental mistakes in his interpretation of the evidence.

First, he fails to distinguish between the private ownership of artifacts and of land. The former, created by the effort of individual labour, may claim validation from the evidence of history: the most primitive societies have recognised individual property in tools and clothes. But no such warrant could be claimed for the private ownership of land.

(2) He makes the indefensible leap from the historical experience of *group* inheritance (based on territoriality, with all the constraints and opportunities which that implies for the individual and the group of which he is—or ought to be—an organic member) to the modern experience of *individual* inheritance. He assumes that the former somehow validates the latter, when qualitatively they are different (individual ownership has no basis in man's biological history, and the dynamics of the two systems are dichotomous).

(3) Wynne-Edwards accepts without question the consequences for society of the transformation of rights to land. Yet group dynamics—as even a superficial study of territorial behaviour shows—are crucial for the survival of a species. For example, cohesion within the group is of paramount importance. This cohesion has been maintained because rights to natural resources have been multi-dimensional: groups of human beings have ventured through time and

space as unified wholes, which has been possible because of the cooperative approach based on sharing material resources. The right to alienate land split up societies, creating classes with distinct experiences which could not identify with each other. The ensuing disharmony is more than just a danger for the social and political future: it also constitutes a serious threat to man's genetic future.

The European interpretation of the evidence of territoriality blocks any attempt at deriving the crucial lessons about the role played by group property rights in integrating human social systems. At the

risk of repeating ourselves, we emphasise that man's genetically-based territorial behaviour, and the cultural variants which he developed in sympathy with it, have ensured both internal (social) and external (ecological) harmony. The anti-evolutionary switch to individual ownership certainly simplified the structure of rights; but it also struck a deadly blow at the foundation principles of human societies.

1. A. R. Vinogradov, *The Air Nidhi of Monaco*, Michigan U.P., 1976.
2. A. Sherman, *Land Tenure and 'room for manoeuvre'*, in: *Choice and Change* (ed: J. Davis), Athlone Press 1974.
3. W. D. Hamilton, *Innate Social Aptitudes of Man: an Approach from Evolutionary Genetics*, in *Biosocial Anthropology* (ed: R. Fox), Malaby Press, 1975.

BILLIONAIRE AND THE PROPERTY TAX

Joseph Zashin

A CLASSIC story by Leo Tolstoy asks the question—how much land does a man need. It tells of a peasant struggling to earn a living on a tiny plot. One day, he receives a most amazing offer. All the land he can traverse in one day—from sunrise to sunset—will be his. Determined not to waste a precious minute, he is up before the first rays of the sun appear in the east. He sets out at a rapid pace. The day wears on as he walks acre after acre. He continues his steady march. The sun gets hotter. He is covered with sweat. He loosens his collar, and goes on and on. Daylight wanes as evening approaches. He hurries along to get as many more of the acres before the sun sets. He presses forward despite his fatigue. As the sun sinks in the west, he, too, sinks to the ground. Exhausted, he expires. All of his tremendous effort has been in vain. All the land he needs now is the six feet to be buried in.

This story came to mind with the news of the death of Howard Hughes. A strange man of tremendous wealth. What are his holdings and in how many communities? Surely, the tax collector will be on hand. In Tucson, it is known that when he set up his Hughes Plant here in the early 50's, he purchased considerable desert land—some 20,000 acres or so—at what was then a good price for local sellers—\$100 an acre.

In the twenty-five years since, this land has lain fallow except for a small part sold in the last few years. It is a tiny part of the vaunted Hughes fortune, managed by one Summa Corporation, a

group of his executives. Local folk may have wondered why these acres have remained largely unused. Tucson has had spectacular growth, one of the fastest developing cities in the U.S. It expanded north and east and west. Only in the southerly direction in which the Hughes acres are, the area has not developed. And the few parcels that were sold brought huge prices—some at 40 times the original cost.

One local news story pointed out that this acreage represented almost 25 per cent of the total area of the City of Tucson. How inquisitive are the reporters, officials and taxpayers? How much property tax has this huge acreage been paying, or not paying all these years? Has this land been assessed at its full cash value—the price it commands in the market place? What has been sold, was to very knowledgeable builders and realty developers, and to the State of Arizona and Pima County as well. Is it a fact that the taxpayers of the community *actually subsidized* the billionaire by permitting the land to be grossly underassessed, in disregard of Arizona statutes?

Well, Howard Hughes is gone. What if the land had been assessed according to State law, had paid its proper share of taxes, and the community had received the additional revenue to help pay for the improvements needed for its growth? How much of a strain would this have been on Hughes or the Summa Corporation? Wouldn't this have made the acreage even more valuable? Don't so-called smart operators see this?

It's an old story, very old—and widespread and worldwide, in fact. A pity. It deprives the peasants, the poor, the ambitious, the hard-working of opportunities to put

Mother Earth to work to satisfy human needs. It holds valuable land out of production—for speculative purposes. The only defence a community has against this is its power to assess it for tax purposes. When it fails to exercise this it falls in a basic public trust. Such neglect permits the price of land to rise higher and faster than almost all other factors, giving impetus to inflation, and exacting a heavy toll from all. The land, instead of being a beneficent Mother Earth for all her children, becomes an instrument of distortion and inequity.

Somehow, the story always has the same ending—six feet, or six and a half feet for a big guy.

PRICE RESTRAINT ON ITS HEAD

ACTION aimed at providing protection for British companies against unfair foreign competition was announced by Mr. Dell's Trade Department recently.

The department found that four complaints about goods being sold at artificially low prices in the British market were justified and imposed anti-dumping measures. Ladies' raincoats being imported from Hongkong at less than £10 and selling in the shops at between £18 and £20. A provisional duty of between 50p and £1 has been fixed on alarm clocks imported from China, Hungary, Poland, Rumania and Russia. A 55p per kilogram duty on saccharin is to remain.

A Japanese exporter of colour offset printing presses was also found "guilty" of dumping his machines in Britain, but no action is to be taken because he has promised to raise his prices.

ARE JUSTICE AND LIBERTY IN STYLE AGAIN?

Robert Clancy

FOR some time, in philosophical circles, such movements as phenomenology and linguistics have ruled the roost, challenged only by mysticism—and traditional philosophic concepts and concerns were eschewed as meaningless.

However, within the last few years two influential books have appeared*, bringing back all the regalia of such resounding concepts as Justice, Liberty, Morality, Rights. The two authors, John Rawls and Robert Nozick are both professors of philosophy at Harvard University and both young—so they are not even old fogeys.

John Rawls' *A Theory of Justice* has been hailed as a work of first importance, ranking with Locke and Mill. It is a difficult book that requires close study, and even at that, the author does not always make himself clear.

Rawls puts forward the concept of Justice as Fairness and defends it against rival theories such as utilitarianism. He propounds two basic principles, as follows:

1. The Equal Liberty principles: "Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all."

2. The Difference principle: "Social and economic inequalities are to be arranged so that they are both: (a) to the greatest benefit of the least advantaged and (b) attached to offices and positions open to all under conditions of fair equality of opportunity."

"Equality of opportunity" falls well on our ears, but Rawls is ambiguous as to how it may be applied. He regards differences in ability as subject to his principle, and therefore differences of income resulting therefrom need to be equalized. His theory appears to support the welfare state concept, and the egalitarian state in a semi-socialistic way.

How Rawls manages to write a long book on this subject and on equality of opportunity without discussing equal access to land and natural resources is difficult to explain, but he does manage it.

Robert Nozick's book, *Anarchy, State and Utopia*, was written partly as a reply to Rawls. It begins promisingly: "Individuals have rights and there are things no person or group may do to them (without violating their rights)." But unfortunately he does not define "rights" nor does he outline what the rights are.

Just as Rawls supports the "liberal" view (in the

sense of state intervention for the common welfare), so Nozick supports the "libertarian" View. He argues for a "minimal state" which limits itself essentially to the police function. Unfortunately here too the thesis suffers from a lack of definition of "the state."

Nozick argues against positions on either side of him: he criticizes the anarchist view that even police functions can be handled privately; and he argues against the state (whatever that is) going further than the police function.

At least, Nozick does get around to the question of land. In discussing Locke's famous theory of acquisition, he asks "which plot does an act (of labour) bring under ownership? . . . Why should one's entitlement extend to the whole object rather than just to the added value one's labour has produced?" Here he is getting close, but then the argument is left hanging with this disappointing conclusion: "No workable or coherent value-added property scheme has yet been devised, and any such scheme presumably would fall to objections (similar to those) that fell the theory of Henry George." No explanation or elaboration is offered, not even a footnote, although nearly all his other references are carefully documented and footnoted, even references to comic strip characters. A letter to Prof. Nozick requesting a clarification failed to produce any response. A pity, for it is just in the domain of a "value-added property scheme" that Georgism is so strong.

Both Rawls and Nozick conclude their respective books with descriptions of their ideal societies—Rawls with "a social union of social unions", and Nozick with a variety of ideal communities each following its respective star.

The work of both Rawls and Nozick, I feel, suffers from being too abstract and rarefied. One longs for references to a few facts. Generalizations and hypotheses may very well be the stuff of which philosophy is made, but they need to be checked against the facts of life. It is all very well to posit ideal societies, but it behooves any one who wants to have anything done about it to study how human beings really behave. For example: the "state of nature", referred to by both authors, is a standard convention of philosophy; but why try to figure out the whole thing from an armchair when so much recent research by anthropologists, archaeologists, *et al*, is available?

I am reminded of a saying by a distinguished predecessor of both men, William James, himself a professor of philosophy at Harvard. He said that in this world of sweat and dirt, God cannot be a gentleman; he cannot refuse to get his hands soiled. Both Rawls and Nozick have kept their hands a little too clean and their books have more of the classroom than of the real world about them.

Still it is refreshing to note that two important books have so boldly tackled the concepts of classical philosophy, and it may be that those of us who never gave up Natural Rights, Justice and Liberty may be quite in fashion again.

* *A Theory of Justice* by John Rawls. Harvard University Press, 1971. 607 pages. \$15 cloth; \$4.95 paper.
Anarchy, State and Utopia by Robert Nozick. Basic Books, New York, 1974. 367 pages. \$12.95.

AN HONEST AND IMPORTANT BOOK

Letters

SIR, — I have had the pleasure — as well as an improvement — to my education — of reading Oliver Smedley's new book *What is Happening to the British Economy?* B.W.B.'s review is somewhat harsh, and less than fair to the author. Oliver has recorded the history of U.K. politics and our economic folly as he has seen and experienced it. If he dwells at length on the urgent need of pursuing a policy of sound money and free trade, it is because he is an honest man who believes there can be no lasting freedom, justice and social harmony for a society which settles for the soft option of inflation and protection promoted by governments favouring sectional interests.

If Oliver eschews the chimera of the Welfare State, it is not because he is careless or indifferent to the plight of the old, the poor and the genuinely needy; rather is it because he rejects the sophistry and cant which sustain the collectivist state—which opts for the political expedient of class-based conflict.

His long association with the Anti-Deer Food Campaign and the National Benevolent Fund for the Aged which he founded (and has been continuously associated with since 1956) is evidence enough that he is as much concerned with the problems of the less fortunate among us as we have any right to expect from any man.

B.W.B.'s reference to child labour, primitive working conditions and long hours in factories, unemployment, depressions, etc., is one of those *Post Hoc Ergo Propter Hoc* assumptions which infer that classical economics is somehow responsible for the defects of subsequent social misdemeanours, or which naturally arise from the political and economic philosophy with which Oliver is associated.

Acts of Parliament safeguarding young people, factory workers, etc., from irresponsible behaviour of employers are in no way irreconcilable with the adoption of commonsense and prudence in pursuit of sound economic policies; on the contrary, a failure to implement correct economic measures will inevitably make any such

ameliorative legislation irrelevant. A nation economically in ruins, and politically in a state of anarchy, is the ultimate nightmare; which, after all is what Oliver's book is all about!

NICHOLAS A. BLITCH
London, SW15

SIR, — I read with interest the review of Mr. Smedley's book entitled *What is Happening to the British Economy?* This book is important because it exposes the evils which have followed from the adoption of protectionist policies and because it warns of the consequences to the poorest people of government decisions which use up the national capital as current revenue. Your reviewer asks whether the period before 1914 was a paradise for the ordinary man and woman when the free trade and sound money policy prevailed. He talks of degrading social conditions, the obscenity of child labour and the workhouses. Your reviewer must be much too young to know anything about those conditions. I suppose he would regard going to work at fourteen as child labour. I started before that and it was one of the best things that ever happened to me. I was glad to see also recently in the *Daily Mail* a letter from a man brought up in the workhouse who paid a splendid tribute to those institutions. One of my first experiences was visiting workhouses. The food in them was superior to what millions of people are eating today. Around 1912 there were fewer than 300,000 people in all the workhouses in the United Kingdom which then included Ireland. Of that total only around 65,000 were the hard core. In contrast with the millions on pensions or drawing doles today those who were temporarily unemployed soon found work again and the British people as a whole were a proud and individually responsible people. Your reviewer says that Mr. Smedley must acknowledge that free trade and the gold currency are tainted with the social injustice of the times in which they thrived. There is no injustice in providing the

people with an honest currency and the freedom to earn a livelihood. Now that the Nation's capital has been dissipated on an enormous scale, it is certain that a collapse hitherto unknown in the history of the British people is upon us and our people will look back to pre-1914 conditions with admiration and respect for the men who then conducted our affairs. Under free trade and honest money the wellbeing of the humblest people was constantly improving. Today the wellbeing of the humblest people is collapsing. Mr. Smedley over many years has made great sacrifices for the cause in which he believes and his book deserves the support of every humanitarian in the country.

S. W. ALEXANDER.
London E.C.2

BWB writes: I regard it as an important function of a reviewer to consider to what extent the author of a book has achieved his purpose in writing it. I stand to be corrected but I judged Mr. Smedley's objective to be the conversion of the reader to his philosophy, not the writing of a handy book of reference for the converted. To me, the near-absence of evangelistic logic in Mr. Smedley's work overshadowed its acknowledged educational and informative merit.

I agree with Mr. Blitch about the *post hoc ergo propter hoc* sophism concerning social conditions before 1914 and I was careful, in my review, not to give credence to the notion that free trade and the gold currency were in any way responsible. What I tried to point out was that such fallacious thinking has gained wide acceptance and that the taint that has rubbed on to free trade, etc., needs to be scoured off by reasoned argument, not by baldly asserting that free trade is good for us.

I am indebted to Mr. Alexander for giving me a new slant on workhouses. Would he not agree, however, that workhouses, whether run like Alcatraz or the Alhambra Club, were as much a social stigma of their age as Henry George's almshouse was in earlier times (*Progress and Poverty*, p114) and the plethora of welfare grants and hand-outs are in our own?