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MR HERBERT MORRISON'S SPEECHES

A SERIES of five speeches on post-war subjects made recently by the Home Secretary, Mr Herbert Morrison, has been recently published as a pamphlet under the title *Prospects and Policies* (Cambridge University Press. Price 6d.). Whatever may be thought about the details of the policy adumbrated, these statements deserve attention as a constructive effort to bring into a true perspective the political and economic problems with which we are confronted.

The dominant note which appears to run through them is that we must establish economic conditions which will ensure the maximum production and the fairest distribution of wealth, that we must abandon all restrictive and monopolistic policies, and that this is essential not only for the well-being of our own country, but also for establishing harmonious relations between all countries.

Referring to the Beveridge Report, Mr Morrison says: "For myself I have no doubt that it is the duty of this, or any other Government, to make provision for a minimum standard of life that will keep our population, without exception, decently fed and properly looked after in illness, misfortune and old age." But he adds: "Don't let us get it out of focus. At best it is nothing more than ambulance and salvage work: rescuing and patching up our social casualties: making good so far as we can the results of our failures in self-government. These things must be done: but the right basis to start from is that there shouldn't be any standing army of unemployed, any sick of preventable disease, any elderly people sick and infirm before the allotted span. In our true policy for the future social security can play but a part and, if we succeed, it will and should be an ever-lessening part."

On the main question Mr Morrison said: "Our economic life must be organized directly to achieve its object, a right standard of public well-being. That means turning our backs for ever on schemes of restriction, whether of goods or labour." And again: "The ever-rising need is to secure an expanding volume of production . . . within each nation, and trade between them. The problem is to take the necessary measures to bring this about and to remove the obstacles in the way of it." "After the war we shall have to solve the problem in all its three parts, how to get full employment, how to increase the productive efficiency of industry, and how to spread the increased product widely and fairly. . . . There is one crucial matter which affects all the three parts of the problem I have referred to—the matter of monopolies, their place in society, and the way in which society must deal with them."

"One group of these monopolies are

the so-called 'natural' monopolies, like Gas, Electricity and (in effect) Transport, which are also, like Coal, common service industries, and like it, are ripe—or over-ripe—for public ownership and management. Another group consists of fully-fledged trusts, of most of which the same thing might be said."

On this we may observe that the classification is not entirely accurate. Gas, water, electricity and railway (or tramway) transport are, it is true, naturally and in their essence monopolies. The reason why they are so is a simple one: they all depend upon the acquisition of rights of way, upon the exclusive use of narrow strips of land, over or under ground, for the purpose of running rails, pipes or conduits. Such rights can usually only be obtained by the grant of special powers of compulsory acquisition. They are in fact monopolies which the State has in this manner created, and competition is by the nature of the undertaking excluded. The necessity of public control of such enterprises has long been admitted, and indeed, in a tentative and not very effective way, exercised. A large body of public opinion has come to the conclusion that this control can only be effectively exercised by public ownership and operation. It is, however, a matter for consideration whether, with the development of modern systems of costing and accounting, it would not be possible for a strong government department, equipped with a staff of able and impartial officers having the necessary training, and endowed with the necessary statutory powers, to exercise a control over such enterprises which would give almost as much protection to the community as would public ownership. In that event the public would be saved the expense of expropriating such undertakings and of paying compensation upon the basis of a level of profits which should never have been allowed.

In the case of road transport the same circumstances do not exist. The roads are open to all. The monopoly which has grown up in this industry is due to two causes. The one is when Parliament allowed the railway companies to acquire large interests in such undertakings. The other is when Parliament instituted a system of licensing those engaged in the conveyance of goods and passengers by road, thereby preventing competition and placing those who were able to get licenses in a privileged position. The problem in this case is, therefore, of an entirely different nature to that of the "natural monopolies" properly so-called.

Coal also is in a somewhat different position, for by Coal Mr Morrison probably means the working of coal seams and not the ownership of the coal deposits—the latter question having been dealt with

in the operation by which the State acquired the ownership of coal in the seam and it is now impossible to re-open the terms upon which that was done. The State will now have it in its power to determine the conditions upon which coal shall be worked, and it can put an end to the system under which coal deposits were held out of use in the hope of greater future royalties.

What Mr Morrison had in his mind when he referred to "fully-fledged trusts" does not appear, but the question which ought to be examined here is what were the circumstances and by what means did these trusts arise. It is that which should determine the remedy.

He then refers to "monopolies of another and very important kind, presenting all the characteristic dangers and evils without necessarily being in an appropriate state for full public ownership in the early post-war period. I refer to the great assortment of cartels, price rings, federations, price-fixing combines and so forth. Monopolies they are in the sense that they have monopolized the control of their industry, and its market and are in a position to impose their terms of trade on their customers and the community." Mr Morrison mentions one factor which enabled such cartels to come into existence, protective tariffs, and it is clear that in the case of one of our largest basic industries, the steel industry, the policy of cartelization was pursued with the advice and assistance of the Import Duties Advisory Board and the approval of the Government.

One of the most dangerous aspects of monopoly, referred to by Mr Morrison in this pamphlet and also in a later speech at Birmingham (8th May), is the endeavour to enlist the support of workers in such industries by the granting to them of somewhat better wages or conditions of work and by creating the outlook that monopoly means high wages—the argument in fact by which protectionists have always tried to achieve their objects. In his Birmingham speech he says: "Who suffers most when plants are put on part-time or partially closed down, when whole towns are put out of action and industries half throttled? It is the working people, the Trade Union membership. Certainly the philosophy of monopoly may offer to a limited number of workpeople some relative stability of employment at a relatively satisfactory wage. But at what cost? At the cost of unemployment for the rest, of insecurity for the rest, of keeping down the national income as a whole by producing less than we could produce, at prices higher than we need; at the cost of installing in the seat of power and action a philosophy which, whatever attractive baits it may hold out to some

fraction of the working class, is bound to mean in the end the defeat and destruction of the whole labour movement and everything for which it stands. A people's movement which became the hireling ally of a restrictive monopoly capitalism would end as the tool of economic fascism." It is a warning which deserves to be pondered over.

The precise steps which Mr Morrison would propose, apart from nationalization in certain cases, do not appear clearly from these speeches. He makes some reference to social controls over production. It may be remarked here that the "controls"

which have been operated during the war do not necessarily provide a pattern for peace-time policies. They have in a large measure been brought into existence for the purpose of rationing things which are in short supply, just as in a lifeboat, shipwrecked sailors ration the supply of food and water. Such a procedure is dictated by exceptional conditions, and not by normal needs. We want to establish conditions in which such measures are unnecessary.

We may presume from his allusions to tariffs, that Mr Morrison would seek to abolish tariffs, quotas and similar restric-

tions upon production and trade. The land question is not alluded to in these speeches. From the leading part which he played in relation to the London County Council Bill for the rating of site values, we cannot think that he is unaware of the importance of this matter, not only in its general aspects but particularly as affecting the reconstruction and replanning of our cities—a task which will assume pressing importance immediately after the war and towards which steps must be taken even before hostilities end. We invite his attention to it.

RECURRING UNEMPLOYMENT

SPECULATION is rife as to the fate of those who will be looking for work when peace returns, and in many responsible quarters opinions are being offered as to the measures that must be taken and the conditions that must be satisfied if they are to find it. The Press is full of the question, and journals of weight like *The Times* and *The Economist* have reproduced in pamphlet form their articles on the subject, while the great firm of Lever Bros. and Unilever Ltd. has prepared an exhaustive report, expressing their considered view as to why depressions occur, and how they should be dealt with. These writers say that in the past the world has been faced with the disturbing problem that during certain periods it did not seem able to consume what it was able and willing to produce. According to them, we have to find out "How it is that human beings who are in need of products that can be made do not dispose of the purchasing power to acquire those products?" Or inverting the problem, we have to find out "How it is that human beings who are able and willing to produce or to work are not able to sell their products or*to work?"

Such are some of the questions submitted for consideration by these writers, and the replies they give are numerous and various, though on one thing they all seem to agree, viz., that irregularity of the extension of capital equipment, or, in the jargon of the day, irregularity of capital investment, is a chief cause of the trouble. In their opinion employment is irregular because of irregularity in extension of capital equipment, and they claim that if this were kept regular the problem of unemployment would be shorn of much of its difficulty. It is, they say, the steadiness of productive activity, rather than its intensity that bears on employment and, with it, on the whole social question. But though so much importance is attached to this matter, we cannot find that any of these writers offer any explanation as to *why* the provision of capital equipment to industry should take place spasmodically, though surely this is the first thing that should be settled, for before we can prescribe a cure we must know the cause. We feel that their failure to deal with this question is due to their apparently studied refusal to have any truck with the question of man's relationship to land, with which it is closely bound up. If they could be induced to give thought to the matter from that point of view, they would find that in a progressive community the value

of land, unlike that of goods, is constantly increasing, which is a perfectly natural and beneficent result of progress, provided that the fund thus arising is devoted to the benefit of the whole community. But when this fund is privately appropriated, as to-day it is, it assumes the form of a tribute which grows till a point is reached where industry is unable to proceed further with profit and begins to slacken down. This is the point at which depression begins and continues until (a) those exacting tribute modify their demands (which is to say land falls in price) or else (b) advancing powers of production enable industry out of its greater efficiency to pay what is demanded. When either of these things happen the depression is over, and industry resumes its forward march only in due course to be held up once more to face a recurrent depression.

This fluctuation in land prices is, we submit, the prime cause of alternate depressions and booms in industry, and it should not be hard to see how irregularity in production of capital equipment to which these writers attach such importance as a main cause of unemployment is but one of the many evils that flow from it.

The age-old and long since exploded doctrine that employment in the aggregate is promoted when money is spent on (or in the jargon of the day "invested in") capital construction runs through these pages from cover to cover. Thus to attain maximum and steady employment we are told there must be maximum expenditure on capital equipment, the Government taking such share in that expenditure as may be necessary to eliminate present fluctuations in the labour market. Thus if on the one hand unemployment of a prolonged character or other signs of an economic nature begin to show that slump conditions are on the way, capital expenditure by government should be embarked on or increased. If, on the other hand, a marked diminution in the number of unemployed and other economic phenomena indicate that a boom is on the way, capital expenditure by government should be slowed down, all of which implies acceptance of the fallacy that capital employs labour, though not a word is said to prove it. In any case, it should be pointed out that no increase in the sum total of employment can result from government expenditure since the government has to get its money out of the taxpayer's pocket, whether by taxes or by borrowing. The increased spending power on the part of the government "giving employment" is thus offset by the diminished spending

power of the taxpayer. There is no alternative. The juggle with money is an illusion.

The truth is that outlay on capital construction determines only the nature of the work on which labour shall be employed, but does not affect the sum total of that labour over the whole field of industry. The man or the government in possession of capital can take it out of one industry and put it into another, and thus determine that fewer workers shall be employed in one industry and more in another, but the number employed in the two industries combined remains unchanged. For the capital placed in any industry had not been lying idle. Before investment it had not been buried in a hole or tied up in a stocking but was already being made use of in some enterprise or had been placed in some bank or building society and by them loaned to industry as required. So no additional employment has resulted from the new investment. If that is what we are seeking, measures of quite another nature from those advocated by these writers must be resorted to, and that brings us against the elemental simplicities that must be faced if our search for a full employment policy is to bear fruit. All great truths are simple truths and among them is the simple though profound truth too often overlooked that all wealth and all employment involved in producing wealth come, directly or indirectly, from the application of labour to the raw materials of the earth—land.

If therefore our aim is maximum employment along with maximum production, we must see to it that no obstacles or impediments are placed in the way of access to land. The keynote of our policy must be a free earth, for without that there cannot exist free men. But to-day most formidable obstacles stand in the way of access to land and therefore to full employment. For not a spade may be dug into the earth nor one brick placed on another without tribute or toll being paid to those who claim it as their exclusive property. Let this power of taboo be swept away: establish the equal right of all to use the earth, and so limitless would be the natural opportunities for employment thrown open, that it is hard to see how any willing worker could stand idle no matter how complex our Society, and our aim of full employment would be realized. It is because we cannot find anything in any of the policies advocated by these pamphlets that would make even a distant approach towards this ideal that we venture to make this criticism.

W. R. L.

PARLIAMENTARY DEBATES

FINANCE BILL

(18th May)

On the Order Paper were two proposed Amendments, the first submitted by Mr R. R. Stokes and having 72 supporters of whom 57 were members of the Labour Party and 15 were non-Labour. This Amendment read:

"That this House declines to the Second Reading of a Bill which contains no declaration that the land and natural resources of this country, for which we are fighting, should belong to the people, and makes no provision whereby the economic rent of community-created values of all land shall in due course be paid by the landlords to the State for the benefit of the community."

The other Amendment was in the name of G. Benson (Labour), Sir George Schuster (Liberal-National), Graham White (Liberal) and Spencer Summers (Conservative) and regretted the failure of the Finance Bill to adjust taxation in the interests of stimulating the accumulation of industrial capital.

ORDER FOR Second reading read.

Mr G. BENSON (Chesterfield—Labour) asked whether either of the Amendments was to be called.

Mr Speaker: It will not be possible for me to call either of the Amendments, but I would suggest that, in order to deal with the subjects which hon. Members want to raise, we should start by having a general discussion for the next two hours or so, and then hon. Members wanting to speak particularly on the Amendment of the hon. Member for Chesterfield (Mr Benson) would be more likely to catch my eye for the next hour and a half or so. Then hon. Members who want to address themselves to the Amendment in the name of the hon. Member for Ipswich (Mr Stokes), might be able to do so.

The Chancellor of the Exchequer (Sir KINGSLEY WOOD) moved that the Bill be now read a Second time and the debate proceeded.

Mr J. J. TINKER (Leigh—Labour): Land values are increasing, not by the help of the individuals who own the land but through the good will of the community. That is what is behind this Amendment on the Paper. It means for the Chancellor to get hold of a sum of money from people to whom wealth has accrued through no efforts of their own.

Mr L. SILKIN (Peckham—Labour): Whether we can succeed in providing homes for the large numbers who will require to be accommodated after the war with homes within their means, whether we can succeed in replanning and redeveloping our bombed cities and towns, whether we can succeed in properly locating industry so as to avoid the evil of the special and distressed areas after the war, will all depend upon whether we solve the problem of the high cost of land. There was a piece of land in the county of Essex which was worth £50 an acre as farming land. At the expense of the community an arterial road was put through that land. It then became frontage land, and was sold within a short time at 20 times its original value—£1,000 an acre. The owner of that land cannot possibly claim to have had any part whatever in increas-

ing its value. There was in North London some land at £300 an acre for which the London County Council were negotiating. Then came a tube railway, and eventually that land was fetching £3,000 an acre, ten times the original price. There are the classic cases of the large estates in London and other big cities which have multiplied in value many times over, through no action on the part of their owners, except perhaps the exercise of a little foresight in acquiring land where they thought development might be in prospect. The taxation of land values would not only provide the Chancellor with important revenue and give the community a share of what it had itself created, but it would bring down the present unreasonably high cost of land. In that way it would facilitate the acquisition of large areas by local authorities who, at present, find themselves unable to acquire land, although it may be most necessary from the point of view of effective town planning. Unless we do something to deal with the problem of land values, I believe that all talk of planning after the war will become a mockery.

Mr W. GLENVIL HALL (Colne Valley—Labour): The London County Council has for a number of years now realized that the taxation of land values would make a great deal of difference to the problems which beset them in the vast sprawl of land known as the Metropolitan area. They have on more than one occasion, put it on record that it would be of undoubted advantage to them if legislation could be passed through this House enabling them to implement the rating of land values. It has always been a mystery to me why the Chancellor has refused to consider this source of revenue, because, when he looks round the world and sees what other Governments have done, he must see that very large sums have been brought in from this source. I recently read a speech by the Hon. Walter Nash to an audience in New York on New Zealand's experience with land values taxation. He said:

"In planning for the future the problem of housing must be closely related to the problems of industry on the one hand and the requirements of home life on the other. The provision of adequate housing can be seriously handicapped and retarded if abnormal prices have to be paid for the land that is required, and a sound and scientifically based system of taxation can help a good deal by correcting such a situation. I believe that the kind of procedure we have adopted in New Zealand, although it is far from perfect, has nevertheless tended to discourage excessive inflation of land values generally and of building sites in particular."

It is beyond doubt that if this source of revenue were taxed, it would not only bring in very large sums of money to the Exchequer, but it would ease the situation in a large number of directions. It would help to ease the housing situation. It would help to bring down rents, and that would go a great way towards satisfying many pensioners and others who now find it so difficult to live. It would also cheapen many of the raw materials of production upon which industry depends. It is one of the tragedies of the years between the two wars that the proposals introduced by the

late Viscount Snowden were shelved by the Conservative Government that followed him. If these proposals had been given a fair run, if the Department which should have been set up had been set up and allowed to function, there is not the slightest doubt that the burden of the present Chancellor would have been much easier and we should have had many millions more to use in prosecuting the war.

Mr T. J. BROOKS (Rothwell—Labour): The doings of individuals or finance corporations who make fortunes really over-night are the theme that appears to be before us now. I understand that already the Government have had to take steps to prevent them from buying up blitzed areas both in London and the provinces and making money out of them. If we sink a pit in a rural area and bore down to the coal, land which was 6d or 1s a yard becomes the morning after the coal has been found 5s to 10s or even £1 a yard. Fortunes made while they sleep! The same thing happens when a factory is built, or even when a new bus route is opened up through the country. The price of land goes up. Every local authority will tell you that if it requires land for road widening, it finds the value goes up. Taxation of land values ought to be made a fact not only in order to find revenue now, but for the development of all our resources on a sure and sound foundation for prosperity in the future. It would not impoverish the landowner but would make him put his land on the market at something like its proper price. It would give a real send-off to the proposed new order.

Mr R. R. STOKES (Ipswich—Labour): If we are to have a just and lasting peace, this matter has to be dealt with so that the peoples of the world may realize that we are setting an example and that we intend not only to apply this principle to our own territory, but to use all the influence we have on the Dominions, the Colonial Empire, and so on, so that their natural resources shall be used for the benefit of all the people. Men and women of the country are having to go to war, but many of them sacrifice their lives, but what has to be done? We have to buy the aerodromes before we can use them. Up to November, 1937, for 26,500 acres we paid £1,525,000 for land which was probably absolutely valueless. Since 31st December, 1938, 58,000 acres of land have been bought for £3,760,000 or £60 an acre. From 1934 to 1937, 105 sites were purchased, involving 290 acres—most of it agricultural and de-rated and making no contribution to the community—at a cost of £218,000, or £70 an acre. Again, in connection with housing estates, in the five years from 31st March, 1938, 35,000 acres of land have been bought at a cost of £8,000,000, or about £220 per acre—all this for land which was standing idle.

We paid the coalowners, the people who say they own the coal, though they never put it there, £100,000,000 for not having put it there, certainly not for taking it out, and the people who work the coal will for evermore have to produce, at 5 per cent, £5,000,000 a year to pay the

interest on the debt. To do the same with the whole of the land of the country would cost something like £10,000,000,000, and, when you have done it, you will hand it over to a set of quite incompetent people in Whitehall who will not know what to do with it.

At present we are crazy. The only thing we do is to tax effort. We never tax people for being idle. People who work in factories are taxed up to the hilt. The Chancellor of the Exchequer taxes their effort. What does he do for the landlord who is reaping the benefit of the war? The only person who benefits when a town gets bombed is the ground landlord. He gets his site cleared for nothing, and in many cases insists, and is supported by the courts in insisting, that his ground rent should continue despite the fact that the buildings thereon have ceased to exist. The most fundamental thing of all probably is the fact that if you insisted on a thorough-going taxation of site values, it would penalize idleness and make it impossible economically for landlords to hold their land out of use or not to put it to the best use because it would be uneconomical to do so. If a tax were put on site values, unemployment would be done away with for ever.

I want to quote again the Prime Minister on this subject. This is a somewhat earlier speech than the other and was made on 20th April, 1907, at Drury Lane Theatre, London :

"We have to face all the resources of a great monopoly so ancient that it has become almost venerable. We have against us all the modern money power. We have to deal with the apathy and levity of all sections of the public. We have against us the political machinery of class and privilege represented by the Second Chamber in the State. There are only two ways in which 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. We are here to range definitely on the side of production and to eliminate plunder as an element in our social system. The present land system hampers, bobbles and restricts industry. . . . They were resolved if they could to prevent any class from steadily absorbing under the shelter of the law the wealth in the creation of which they had borne no share, wealth which belonged not to them, but to the community, wealth which they could only secure by vexatious obstruction of social and economic progress, far more injurious and wasteful than could be measured by their own inordinate gains."

I commend that to my right hon. Friend, and would earnestly beseech those on the other side to realize that this fundamental thing has got to be done.

The Financial Secretary to the Treasury (Mr ASSHETON): I do not feel that the House will expect me to deal, in detail at any rate, with the speeches made by hon. Members on the subject of the taxation of land values, land nationalization, and so on. The whole question of the future treatment of land is now being examined by the Government in connection with the Uthwatt Report, and it has been made clear on more than one occasion that no decisions in that very highly complicated matter have yet been arrived at. These are all matters of a controversial nature.

Mr S. S. SILVERMAN (Nelson and Colne

—Labour): What I rose for was to protest against the way in which the Government have dealt with this question. Here is a question which has formed part of the declared policy for many years of a party in the Government as an equal partner with any other party in that Government. It was set out in an Amendment which appeared on the Order Paper as long ago as three weeks. It was signed by 70 Members of this House. It deals with a question—whatever anyone may think of the merits of it—which goes to the root of our method of financing the war and which must also go to the root of any plans of reconstruction that may be in anybody's mind.

Mr DAVID ADAMS (Consett—Labour): When we reflect that this is one of the Amendments which Mr Speaker decided not to call, it seems to me a very sound policy so to organize one's Amendment that we shall not be called, because evidently a much better discussion can be obtained by not being called than by being called. I also wish to make a protest against the very cavalier manner in which this subject has been treated by the Financial Secretary. I was astounded to hear him say, as I am sure was the House, that he did not intend to make any reply to the arguments which had been put forward from this side. This has been a question of fundamental importance in this country for many years past. It has been accepted in conference after conference, and it would be extremely difficult to find one local authority that is not most cordially in favour of the taxation and rating of ground values. These are looked upon as a new source of revenue, from which new funds may be justly claimed, for they are created by the presence, by the necessity and by the expenditure of the community. No one can just cavil that these are some unjust form of taxation. All that is required is the necessary legislative power to carry them into effect.

The Second Reading of the Bill was carried without a division. The Land Values Amendment and the Speeches thereon had surprisingly good publicity in newspapers all over the country.

THE CHANCELLOR ON FREE TRADE (12th May)

In the debate in the House of Commons discussing the "Keynes" plan for Post-War International Currency, a noteworthy statement was made by Sir Kingsley Wood, the Chancellor of the Exchequer, accepting the lesson that had been learned from the operation of Protectionist policy. If the Conservative party now also shares the remorse for its actions they will, we hope, follow the Chancellor's lead.

SIR KINGSLEY WOOD said: "Of course, international trade was being done before the Clearing Union was thought of, and, of course, goods were moving from one country to another, for no peoples are prepared to stop work and starve. But do not the underlying facts suggest that international trade was being gravely distorted, or even slowly strangled, by commercial policies and exchange devices adopted by each nation in turn as defensive necessities? If the world has not learned its lesson we may have to go back

to such a system and no doubt, again, we could make it work somehow. But we ought not to begin by thinking that this is our best policy. . . . We have a responsibility to the whole framework of the world economic order. I suggest therefore that we should take it as our present policy for the world after this war, that we want to see the goods of each country exchanged as freely as possible, that we want the immense technical developments which are being stimulated by the war to produce a harvest for peace, that we want the unity of the world to be more than a pious phrase. . . . I have spoken deliberately of the movement of goods rather than of the movement of money, for any international monetary scheme must serve the interests of international trade, and its success or failure will be conditioned not by the technical skill of the monetary mechanism but by the sanity of the policy which we shall adopt in international commerce. No monetary mechanism, no system of regional grouping, no adoption of such monetary terms as 'bancor' or 'unitas' will be of the slightest use in helping goods, services and the results of inventive ability to move freely round the world if simultaneously any nation erects unnecessary barriers to check their movement and flow.

Mr R. ASSHETON, the Financial Secretary to the Treasury, summing up the debate, said: "It is clear as the Chancellor of the Exchequer has told us and as more than one member has stressed that no monetary mechanism will be of the slightest value in helping goods and services to move freely about the world if at the same time nations erect unnecessary barriers to check that movement and flow. That is a fundamental fact which we must keep firmly in mind throughout all the discussions on this matter both to-day and in the future."

DISTRIBUTION OF LAND IN JAMAICA

In the House of Commons on 19th May, Col Stanley the Colonial Secretary answering Mr B. Riley said he was asking the Governor for information as follows: the approximate number of agricultural holdings in Jamaica, giving the number of separate holdings of half an acre and holdings of not more than 5 to 10, 10 to 50, 50 to 100, 100 to 200, 200 to 500, 500 to 1,000 and the number exceeding 1,000 acres; but he could not guarantee that the information would be available in exactly the form Mr Riley had asked.

In his recently presented report, Dr C. Metcalfe Brown the Medical Officer for Manchester, estimated that there were at present 68,837 unfit houses in Manchester, and he estimated at 76,272 the number of houses needed. So many unfit houses, he said, must be causing great harm to health and he urged that post-war housing should proceed with the utmost rapidity every effort being made to complete the programme within ten years.

Mr C. A. Gardner writes: "The Henry George School of Social Science prospectus so impressed an acquaintance to whom I handed it that he bought a copy from Mr Roberts's bookshop in Cardiff."

THE PROPOSALS OF THE UTHWATT COMMITTEE

Memorandum submitted to the Welsh Advisory Council for Post-War Reconstruction by the WELSH LEAGUE FOR THE TAXATION OF LAND VALUES

THE BASIS of town and country planning is control of land use. That control is generally of a negative character, that is to say, it prohibits certain uses but, within the limits of what is allowed, does not prescribe what shall be done. This feature is commendable, for it leaves a field for the free play of private initiative.

The proposals of the Uthwatt Committee for the acquisition of development rights in undeveloped land, and for preventing such land from being developed except on leases granted by the State, offend against the principles of planning as hitherto understood in two ways. They impose planning control on areas where there is no need of it, and they impose control in all cases in the most rigid and least flexible form imaginable, namely, by clauses inserted in a building lease.

These proposals are also objectionable in so far as they involve, whenever land is required for development, a double process of bargaining between the landowner and the State on the one hand and between the proposing developer and the State on the other. There will be no free market in land, and the price will depend even more than at present upon the skill of the parties in bargaining.

The proposals also offend against sound canons of finance. They involve the State in acquiring and paying for the assumed development rights in land which will never be developed at all. Most of the money spent will be quite unproductive, and it is apparently the intention that it should be regarded as unremunerative. An attempt is made to justify the purchase by pointing to a few cases in which the high cost of compensation or purchase has deterred local authorities from preserving some land as open space. These cases are not sufficiently numerous to justify a large and unproductive expenditure on buying up all development rights. They point rather to the need of considering whether in some cases the planning authorities are not too small and without enough financial strength to enable them to function properly. They point also to the need of considering the whole basis of local finance and of the finance of planning in particular.

The Uthwatt Committee propose a levy upon increases in annual site value, as a substitute for any attempt to collect "betterment." Experience has undoubtedly proved that no method has been devised or is likely to be devised of assessing the benefit to land arising from particular improvements or actions of local authorities or of the State. The reasons are well explained by the Committee. On the other hand their own proposal is based upon the assumption that the effect of planning is merely to redistribute land values which in total will remain the same, or, in other words, that the levy upon increments will pay for the compensation due in cases where the value of land is diminished by planning. Even if this assumption were true the compensation is payable immediately as a capital sum whereas the levy on increments is to be collected as an annual sum; it would, therefore, at best

take many years before the account was balanced.

The Uthwatt Committee point out that the enhancement of land value due to general community influences is no different in principle from that created by some specific public improvement. It is on this ground that they justify a levy upon increases of annual site value and abandon the attempt to segregate the effects of some one cause of increase in site values. They point out that the existing system of rating involves that "an owner who increases the annual value of his property from (say) £100 to £150 has to bear the same additional amount in rates as the owner whose property is similarly increased in value entirely as a result of public expenditure on a public improvement." This is by implication a criticism of the whole foundation of the rating system in that it does not distinguish between the value of land and the value of the buildings and other improvements on the land. The proposed levy on increase of site value in the future will do very little to remedy this injustice. A solution can only be found by means of a rate on all site values with a corresponding reduction in the rates as now levied.

Such a reform of the rating system would have many advantages. It would discourage the speculative holding of land in the expectation of future increases in land values. Land would be more freely offered at reasonable prices in and on the outskirts of towns, and the tendency to an uneconomic dispersion in the search for cheap land would be mitigated. The problem of planning would be much simplified. The compensation for such land as had to be acquired for public purposes or restricted from development would be reduced and could be ascertained by reference to a properly established general valuation. The development of land for housing and other purposes would be encouraged by the relief from rates now levied upon the value of buildings and improvements.

The Uthwatt proposals on the contrary do nothing directly to relieve urban congestion and overcrowding. The rigidity of the prohibition which they lay upon the use of land outside "town areas" (as those are defined in the Report) will discourage the use of land for building and industrial purposes in those outside areas. The demand for land for such purposes will be concentrated on the town areas, and the speculative rise of land values there will be encouraged.

The delimitation between "town areas" and the rest of the country, which is to pay no heed of existing municipal boundaries, will take time. So will the assessment of compensation for development rights. After that there will still have to be a plan, unless it is contemplated that the vesting of development rights in a statutory commission, granting or withholding leases at their discretion, will obviate the necessity for a plan. All these operations will take considerable time and during that time development where it is most needed to relieve congestion in town areas will be held up.

In these respects the Uthwatt proposals

are not likely to expedite planning, and, still less, building which will be most urgently wanted after the war. It would be far better to make what modifications are needed to simplify and expedite existing planning procedure, and to couple with that a rate on site value of all land without exception. In the case of land subject to planning restrictions the site value should be ascertained subject to those restrictions. The valuation should be made a standard both for rating and for compensation on compulsory purchase.

For the Executive of the Welsh League for the Taxation of Land Values, 27, Park Place, Cardiff: D. G. TAYLOR, *President*; F. SAW, *Chairman*; EUSTACE DAVIES, *Hon. Secretary*; C. A. GARDNER, *Hon. Treasurer*.

GLASGOW'S ATTITUDE

A comprehensive examination of the difficulties which exist for the post-war planning of Glasgow is made in a memorandum prepared by the Town Clerk at the instance of a special Corporation Committee. (*Glasgow Herald*, 23rd April.) The earlier portion deals with the inadequacy of the existing statutory powers and goes on to discuss the reports of the Barlow and Uthwatt Committees.

In criticism of these reports it is pointed out that several recommendations made by Glasgow Corporation have not been accepted, and complaint is made especially that three of the Glasgow pleas have been ignored, these being—(1) That there should be no payment of compensation for the acquisition of potential development rights. (2) That betterment values should be recovered in full, both as regards future and existing development. (3) That speculation in and the creation of fictitious values on land should be prohibited.

LOCAL AUTHORITIES IN YORKSHIRE

At the Annual Meeting of the West Riding Urban District Councils Association, held in the Civic Hall, Leeds, on 27th May, the following resolution was adopted by a substantial majority.

"This West Riding U.D.C. Association, in the interests of Local Government and National Reconstruction recognising that the buying of land (for Housing, Town Planning, Public Works, New Roads, Garden Cities, Schools or any other civic purpose) before it is taxed and rated to legitimately cheapen it, plays into the hands of the landowner by increasing his unearned increment at the expense of the community just as all past public expenditure has done and as the agricultural subsidies and the land derating does to-day, calls upon the Government not only to institute a proper Land Valuation but to enact legislation empowering the Local Authorities and the Chancellor of the Exchequer to impose Rates and Taxes upon all such land and site values."

The resolution was moved by Councillor Joe Walker on behalf of Aireborough and supported in a well-documented and most instructive speech. Importance is lent to the declaration adopted by the fact that at this Conference as many as 55 Urban District Councils were represented.

LIBERALS AND LAND REFORM

THE *Evening Argus*, Hastings, 28th April, reported extensively an interview with Alderman Arthur Blackman J.P., ex-Mayor of Hastings and former Liberal candidate for the Borough. Land reform, Alderman Blackman said, has been one of the foremost planks in the Liberal platform. It was the land values clauses in the 1909 Budget that was chiefly responsible for provoking the challenge of the House of Lords which ended with the passing of the Parliament Act. "Post-war reconstruction makes it more than ever imperative that legislation should be passed to break the monopoly that has fastened its tentacles more tightly on the community with every passing year." Asked why he was so insistent upon taxing land values in preference to other subjects, Alderman Blackman said: "Land is the mother of us all and it is the source of all wealth. Labour is the father. Combined, these two factors are responsible for everything necessary for the maintenance of life. Land is as necessary to mankind as the air we breathe or the sun that shines. All goods that are manufactured can be replaced as and when required, whereas any abuse of the land is wealth lost to the community and can never be replaced. Whenever a town throws out its suburbs into the neighbouring country, whenever public improvements are carried out either by public authorities or by private enterprise—as when a new road or a new tube railway is built—the value of the land in the neighbourhood goes up by leaps and bounds, and the added value goes to the owners of the land who have done nothing to earn it. It is mainly in this way that the values in land have been created. If this 'unearned' wealth which is created by the community could be impounded, in whole or in part, for the service of the community, it would pay all or most of the cost of the improvements to which it is due, and so immensely reduce the burden of other taxes.

"If a man, through negligence, leaves his land idle, or if he wilfully keeps it out of use in the hope of extorting a monopoly price, he is rated little, if at all. If, on the other hand he puts it to good use such as building houses or factories upon it, or in other words acting as a good citizen, he is fined in the measure of his improvement. Under this system, as will be apparent, enterprise, is penalized and industry handicapped, amid a crying need for houses a fine is levied upon houses erected, and slums are positively encouraged.

"There should be a national tax upon the real site value, and rating should be assessed accordingly. This is a kind of wealth which is peculiarly suited for taxation, and which can be taxed without the least injustice. Moreover the taxation of it would encourage the owners of the land not to hold it up for a rise but to develop it, which would therefore make it easier and cheaper to acquire land for productive purposes. Here can be found a very great alleviation of the burdens that now weigh so crushingly upon productive industry."

Asked to explain why present conditions had been allowed to continue, Alderman Blackman said: "British Government have hitherto been chary of interfering in

this sphere because of the immense influence of the land-owning class. But you will agree that it is intolerable that any small class should be able to hold the community to ransom by its control of this fundamental necessity, or even to prevent the land from being fully and advantageously used. It should be the duty of the State to ensure that in the use of land, public and not private interests should always be supreme."

Speaking at Middlesbrough on 17th April (*Liberal Magazine* report), Mr Harcourt Johnstone, M.P., Secretary to the Department of Overseas Trade, said: "The greatest of all monopolies—land—is a monopoly not in the sense that it is all owned by one person or organization, but because its quantity is permanently fixed. The artificially high price of land adds to our costs in every direction. It adds to the price of housing and therefore to the level of rent; and rent is an important feature in the level of wages. It adds to the cost of manufacture and of transport; and until land is taxed and rated this will continue. I am convinced that the rating and taxation of land values would have an excellent effect upon the economy of the country.

Speaking at the conference on "Planning for Living" called by the Town and Country Planning Association at Tunbridge Wells on 3rd April, Mr S. Martin, representing Chislehurst Division Liberal Council, said the ideals of town and country planning were in line with the general ideas of the great majority of the people, but since every improvement had meant an increase in the burden of taxation, he suggested they ought to attempt to obtain an equitable system of taxation before they began to plan for ideal living conditions.

The land was the source of all wealth, and therefore the true basis of taxation and rating, and he suggested that until they tackled that problem planning would only complicate and add further burdens to the taxpayer. The site valuation of all land as a basis of rating and taxation should be the first step of the Government in post-war legislation.—*Kentish Times* report.

CAUSE AND CURE

The following is extract from a letter sent by Mr E. J. McManus to a large number of weekly newspapers which has been widely published with the result that the writer has had numerous requests for the information he offers.

Sir,—In the leading article of the 5th December, 1940, *The Times* asserted that the seven millions unemployed in Germany in 1933 "brought Hitler to power." The consequences of unemployment to the unemployed, and also to those whose occupational security it gravely menaces, make the prevention of it in the post-war period the question of supreme political importance. . . . Mistaking the cause of unemployment, many people assume, incorrectly, that its cure depends upon, or requires money; either the governmental expenditure of money or schemes for "making work," or the compulsory transfer of money from some producers to other producers.

But, despite the philanthropic intentions of its supporters, the Beveridge plan can effect no *real* change in social conditions. It turns the minds of men away from seeking the root cause of unemployment, and means the return, but on a more elaborate scale, to the pre-war tinkering with its effects. Its extension of the unjust device of "feeding the dog with its own tail," by direct and veiled indirect taxation will tend to reduce the social condition of those who command relatively high returns for their mental or physical exertion to the level of those whom social injustice compels to accept low wages.

Yet, broadcasting on the 19th February, 1935, Sir William Beveridge wanted the cause of unemployment found and removed. Then, he urged "economists, government, employers and trades' unions" to "take stock frankly of the facts of unemployment," to "find the ace" that would remove its cause and "to play it before the game is over," as "there may be no last resort in which to play it before we feel its full and catastrophic effects."

I submitted to him "the ace" discoverable by Political Economy when scientifically pursued—subsequently printed in a monthly. It would encroach unduly on your valuable space to discuss "the ace" in this letter, but I will send a copy of the article, post free, to your readers who request it.—Yours, etc.,

E. J. McMANUS, F.C.I.S.

Leaths Cottage, Castle Douglas,
Kirkcudbrightshire.

(The communication referred to which Mr McManus sent to Sir William Beveridge was published in the April, 1935, issue of *Land & Liberty*. Typescript copies of this have been made and may be had on application.)

CITIZEN OF THE WORLD

A New Biography of Henry George
by Anna George de Mille

AN ENTHUSIASTIC welcome awaits the biography of her father, which Mrs de Mille has written with the title *Citizen of the World, Study of a Personality*. It will be a book of about 350 pages. It is being prepared for publication in America. We look forward eagerly to learning when it will be available for circulation and sale. Meanwhile, it is appearing in instalments in the *American Journal of Economics and Sociology*, published quarterly under grant from the Robert Schalkenbach Foundation 32 East 29th Street, New York City. The fourth instalment, January 1943, brings the story to that stage in the Californian period which introduced *Progress and Poverty* to the world. It is a captivating story; the appetite is whetted for more. "In this work," the *Journal* says, "presented in narrative form to maintain interest, Mrs de Mille makes available to later students family and other materials that were not available to Henry George, Jr., who for more than four decades has remained George's standard biographer. The work also incorporates some of the results of Mrs de Mille's years of study of these materials and of those used by Henry George, Jr."

PALESTINE

IN AN article contributed to *The Freeman* (New York), March, 1943, Judge Bernard A. Rosenblatt, President of the Palestine Foundation Fund (Keren Hayesod) of the U.S.A. utters a grave warning against the growth of land speculation in Palestine. In parentheses he says that the latest information from Palestine seems to indicate that land values have already risen substantially since Rommel's defeat in Libya. But with the increasing immigration after the war, which can certainly be premised, the limited area of Palestine must necessarily increase immensely in price. The present landlords both Arab and Jewish will reap a harvest which must operate as an increasing tax upon every newcomer in the country. The Jewish National Fund is vitally affected for it would be unable to purchase land at an increasing tempo to meet the demands of the new immigration while land values continue to forge upwards with every shipload of immigrants; the Fund may in fact be forced into the awkward position of becoming virtually a collecting agency for Palestine landlords.

It is well that a leading authority like Judge Rosenblatt teaches this lesson and that he so fully appreciates how the question of land values dominates in all that relates to land settlement. But does not this realisation come rather late in the day? The land-buying operations of the Jewish Fund have long ago boosted land prices

sky-high and the wicked trail of land speculation lies across the whole scene. That the Fund becomes a collecting agency for Palestine landlords speaks not of the future merely but of what has happened as well. Judge Rosenblatt offers as a specific that which will not avail as a remedy—a tax to appropriate all increment in land values arising from and after 1st September, 1939, which incidentally would require the almost impossible task of ascertaining what was the value of each piece of land at that date, and if that could be accomplished the proposed tax would take only the increased values since that date. It would leave the already swollen land values, enhanced to the limit before 1st September, 1939, in the hands of private interests whereby labour is deprived of its just earnings and the community loses its natural revenue. The situation requires in Palestine, as in all countries, the straightforward and uniform levy of taxation on the value of all land whether used or not with the corresponding remission of taxes on trade and industry, making no such discrimination as would depend upon the value of land having risen more in one spot since a given date than in another spot. And the general tax on land values falling as it would also on the value of unused land would break up the speculation in land prices which has always brought frustration and distress in its train.

JOHN ANDERSON OF MONTREAL

It was sad tidings to hear of the passing on 4th April of John Anderson, of Montreal, the leader of our movement in that city. He was of the finest type of the followers of Henry George, never yielding in his faith, always helping others to follow his example of doing something for the cause. The help and encouragement he gave to the formation of classes in Montreal must have spread the light to hundreds of young Canadians. In his last letter to me some months ago he said, "Customs' tariffs, quotas, etc., are the damndest racket ever invented to keep the masses in subjection." No one thought of John as old, I was surprised to know he was over 80. His lovable serene character kept him always young; it is a privilege to have had his friendship. ASHLEY MITCHELL.

ESSAY COMPETITION

Pressure of other work and interruptions due to war-time conditions have prevented the adjudicators from completing their examination in time for announcing their awards in this month's issue of *Land & Liberty*. They regret the postponement, which has been unavoidable. The results will be reported next month and it is expected that during the month each competitor will be acquainted with the results by post.

SOCIAL SECURITY AND THE LAND QUESTION

A CONDITION is possible in which there would be a fair distribution of wealth, where there would be no undeserved poverty, where employment would be steady and remunerative with the menace of recurrent industrial depressions removed and "insecurity" without fault no longer to be feared. Among the causes that prevent such a condition from obtaining is a false and wrong land tenure which enables landholders to monopolize the value of land, they taking in rent wealth that others produce; and to them a price has to be paid for access to raw materials and to the standing ground without which none could live or gain his sustenance. We are foolish enough to permit some people to regard the rent of land as their private property, surrendering to them a public revenue that belongs to all of us in common since it is we, the people, who by our congregation create it. When the payment demanded in rent or price for land is more than the would-be users can afford to pay if their undertaking is to succeed, the land lies idle; its excessive price is a barrier against use, stopping the production of what could be produced there, causing scarcity and disemployment just in that measure. We suffer that to take place and deliberately aggravate the evil by erecting further barriers in the form of taxes imposed on houses and other buildings, on the results of any work done, on transport and commerce and on enterprise wherever it appears. By these our own stupid laws operating everywhere, the social injury done reaches gigantic proportions. It is not from actions in the past, but from our own act day by day in the present that we have this most unnatural and inexcusable poverty and unemployment in our midst. To indulge in talk about "landlord rapacity" or in denunciation of other demons is to forget that in our legislation as a democratic State we are ourselves responsible for a situation that could be remedied here and now and made good for the future.

Land Value Taxation and Free Trade provides the remedy, obtaining for the community the rent of land which is of right the

property of the community, making possible the remission of taxation and production and exchange, encouraging the best use of land and ensuring "full employment" in the real sense because accompanied by "full wages" and the just distribution of wealth.

We who are convinced that this policy has all ethical and economic argument behind it, that it is fundamental, urgent, practical and efficacious can have little confidence in policies however well intentioned which can do no more than alleviate misfortune and which quite obviously accept the inevitability of poverty in the structure of human society. In criticizing or rejecting them we can take the risk of being called obdurate. These policies are not remedies; they are only palliatives. Their outlook seems to be that the present dead-level of wages cannot be raised and that the only way to lift above it those who are below "bare subsistence level" is to subsidize wages or give help in kind at the general expense. It is the "money for social reform" school of thought, apparently closed to the idea that there is any land question at all or that rent and taxation have any bearing whatever on the problem. State or municipal expenditure serving a needful purpose is all sufficient; how the revenue is obtained and with what repercussions seems to be of little or no consequence.

An example of this trend of social and political thought is the hope entertained in the Beveridge Report on Social Insurance and the Allied Services that by such means want may be abolished, the commendable hope and what we are all working for. But again, means and methods are to be questioned. Little is to be expected from attempts to mitigate poverty or give help in distress by the use of tax revenue obtained in a way which by its restrictive, obstructive and penalizing effects, is an actual cause of unemployment. Those who are calling for the "implementation" of the plan have to realize what the "implementation" involves. The necessary revenue has to be got before the benefits can be dis-

pensed; it means the imposition of greatly increased taxation right away and in one swoop—not only an increase in general taxation but also the additional and extended contributions which in the Report itself are rightly called poll taxes, implicitly if not explicitly admitted to be at the limit of what many can easily pay.

The plan is first and foremost a tax plan involving in the contributions alone an extra sum of £179,000,000 a year. True, these include the contributions of employers; but the advocates of the proposals are now as busy as any giving testimony that the charge will not rest there. The greater probability is that it will be passed on to consumers in higher prices becoming in fact an indirect tax, so that in that way besides their personal contributions the beneficiaries will be paying for the benefits.

Worse still and perhaps more sinister is the hint in the Report that working people will become reconciled to the income tax on wages when they realise that such payment is returned to them in the "social security" it would help to provide. But presently this attempt to earmark revenue for a given purpose will be lost sight of, just as happened with the allocation of the motor vehicle duty and petrol tax to the Road Fund. The Chancellor of the Exchequer would have one more net to spread for any and every purpose and the whole fiscal machinery would be set for a grand shift of taxation on wages, trade and industry. So much for the suggestions in the Report on how to "widen the basis of taxation."

It is an unacceptable idea that the proposals will achieve a "redistribution of the national income." It is clear that the main purpose is a redistribution of wages among wage-earners themselves, or it will work out largely that way. The fact is that wages in the bulk are already reduced by the twin exaction of rent and taxes; and wages in the bulk as well as the general level of wages cannot be raised unless we tackle and deal with the primary wrong that the rent of land is now being privately appropriated and access to land is at a premium.

Apart from these considerations, there is the political factor of the six million or more persons who are not at present within the Insurance Acts, such as the Class II of the Report, the gainfully employed other than as employees; the Class IV of other persons of working age not gainfully occupied; and the "employees" either in occupations not yet State-insured or whose wages or salaries are more than £420 a year. This large constituency would find themselves suddenly roped in for the compulsory insurance and the card stamping tax, a section of the people not at present the most politically alive and whom it may be a job to convince that they have the prospect of compensating benefits. The government or the party responsible for this part also of the "implementation" will have to be prepared with good argument to keep at the pitch the popular enthusiasm for the plan which is alleged.

In fine, we should get back at once to the fundamental "assumption" without which the Report itself says the plan could not hope to succeed—the avoidance of mass unemployment. Let us devote our attention to that, for if we solve the unemployment problem, if we succeed in preventing the artificial withholding of opportunities for trade and industry, if every facility is afforded for the production of all we need, free from monopoly tolls and restrictive taxation, we shall have a world of plenty with just distribution the enduring guarantor of our social and individual security.

(From notes of speeches made at meetings in Manchester, Stockport, Liverpool and Clitheroe as mentioned below. The *Clitheroe Advertiser* carried a full column report, briefer reports appearing in the *Manchester Guardian* and the *Stockport Advertiser*.

THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES LTD.:
4 Great Smith Street, London, S.W.1.
Hon. Treasurer, W. R. Lester; Secretary, A. W. Madsen; Assistant Secretary, F. C. R. Douglas. (Telephone: Abbey 6665.)

It is gratifying to be able to report the arrival, after a long wait, of the paper for the new edition of *Progress and Poverty* published by the Henry George Foundation. It is hoped that supplies will be available during this month. The price will be 2s 6d. net per copy or 2s. 9d. by post. In connection with this and all our publications, we have to announce that in view of increased costs it is necessary to vary the discounts allowed to the trade. The requisite information will be given on application or before orders for supplies in quantity are booked.

The front page article in last month's *Land & Liberty* on "Housing Policy—A Labour Party Statement," was lifted and printed as a leaflet and a special circulation has been given to it. A limited supply is available for further distribution.

As reported elsewhere, it has unfortunately not been possible to complete the examination of the Essays submitted for the Henry George Foundation Essay Competition so that the results could be announced this month, as promised. The results will be reported in our July issue.

Last month we printed the text of the new Prospectus of the Henry George School of Social Science which has been printed as a four-page octavo leaflet, and can be suitably folded and addressed for postage without need of an envelope. We renew our invitation to readers to arm themselves with copies of this Prospectus for such useful distribution as they can make of it.

The *Retail Chemist* has given generous space to correspondence following the publication in its March issue of Mr Madsen's article "Disquieting Features of the Beveridge Plan" (since reprinted as a leaflet). Two letters appeared in the April issue to which a reply was appended. Mr T. Linstead, M.P., took up the controversy in the May issue and an answer is

being given in the June issue. It has been an opportunity to explain the policy of Land Value taxation and the freedom of trade and industry as the solvent of the poverty problem and the true road to social welfare, an opportunity the more welcome because of the interest evoked among a professional class it would otherwise have been difficult to reach.

ENGLISH LEAGUE: Frederick Verinder, General Secretary, 4 Great Smith Street, London, S.W.1. (Telephone: Abbey 6665.)

The attendance at the Annual Meeting of the League, on 25th May, was, owing to war conditions, smaller than at any of its 59 predecessors, but the members present were cheerfully looking forward to better times. Mr F. C. R. Douglas, M.A., L.C.C., M.P., moved, from the Chair, the adoption of the Annual Report for 1942-43, reviewed the work of the past year and discussed future opportunities. The Report was adopted. Mr H. G. Chancellor, Hon. Treasurer, warmly welcomed on his recovery from serious illness, presented the Audited Accounts of the League for the past year, which were received and adopted. A vote of thanks to the Hon. Auditor, Mr Ralph Young, C.A., A.C.I.S., A.C.W.A., was moved from the Chair, and carried unanimously. The General Secretary announced that the Officers and Executive Committee had been re-elected, as no new nominations had been made.

A Resolution was unanimously adopted in the following terms:—"That post-war reconstruction necessitates a greater production and a fairer distribution of wealth; that the monopoly of land which obstructs production and the tariffs and other restrictions which obstruct exchange must be abolished; that an essential means of securing this is to do away with the taxes which fall upon enterprise and labour and their products, and to obtain public revenue from the value of land which is due to the presence and activities of the whole community."

The members stood awhile in silence in memory of Frederick Cribby and other members who had recently passed away, and the meeting closed with a vote of thanks to the chairman.

*** It is hoped that members of the League will be able to move the above resolution, or one on the same lines, at meetings to consider proposals for post-war reconstruction.

MANCHESTER LEAGUE: Arthur H. Weller, J.P., Secretary, Pychley, Bean Leach Road, Offerton, Stockport.

At the League's Annual Meeting in Manchester on April 29th officers for the ensuing year were elected by unanimous votes as follows: President, Dr S. Vere Pearson; Vice-Presidents, Mrs Catterall, Mrs Sumner and Albert Brown; Hon. Treasurer, Douglas J. J. Owen; Chairman of Committee, D. Catterall; Hon. Auditor, J. C. Owen. Messrs Ronald Brown and George Murray accepted an invitation to join the Committee. In a brief survey of the past year's activities, the Secretary said the movement had lost two good friends by the death of Mr William Noble and Mr H. Wiles. The *Porcupine*, now in its 17th year of publication, continued to be placed in 32 public reading-rooms in Manchester, Salford and Stockport. Mr Owen then presented a financial statement, printed copies of which had been posted to all the members.

When the business had been disposed of, Mr A. W. Madsen, Editor of *Land & Liberty*, spoke on "Social Security and the Land Question," Dr Pearson presiding. Councillor S. Needoff occupied the chair at the lunch-hour meeting on 30th April, and at the meetings in Stockport and Clitheroe with the same speaker, Mr Owen and Mrs Sumner, respectively, presided. The substance of these interesting addresses appeared in a full-column report published in the *Clitheroe Advertiser*.

An amendment to a resolution of Social Security which was to come before the recent annual conference of the N.U.D.A.W. in London, was adopted by the Preston branch of the Union and placed on the agenda. The amendment, for which Mr W. Lyon was responsible, proposed "to remove the cause of social insecurity and poverty by means of the abolition of private property in the land and its contents, by implementing the principle of the taxation of land value."

In his weekly "Leaves from a journalist's log-book" in the *Stockport Express* of 13th May, "The Idler" quotes from the current number of the *Porcupine* at some length, and repeats the Secretary's offer to send a copy of *How the English people became landless* to any reader who would forward name and stamp. A number of applications have since been received.

Mr D. J. J. Owen opened an interesting discussion on Land Values Taxation at the International Club in Manchester on 11th May.

A small display advertisement has been placed in the *Stockport Express*: Do you want to know the answers to arguments for or against Fascism, Communism, Beveridgeism, etc.? The Henry George School of Social Science offers you a Free Correspondence Course. Write for Prospectus to A. H. Weller (giving address).

LIVERPOOL LEAGUE: Correspondence Secretary, Miss N. McGovern, 74 Osmaston Road, Prenton, Birkenhead.

At the meeting addressed by Mr A. W. Madsen in the Adelphi Hotel, Liverpool, on 1st May, approximately 50 members attended. The subject was "Social Security and the Land Question," Mr Curzon Newhouse presiding. Questions and discussion aroused much enthusiasm. The urgent need for further study circles was stressed. Since the meeting, typescript copies of Mr Madsen's address have been circulated to several hundred new contacts in the Liverpool area inviting their closer interest.

Other meetings: On 30th May, Mr Curzon Newhouse, Merseyside Young Friends at the Friends' Meeting House, Arundel Avenue, on "Taxation of Land Values"; on 31st May, Mr Newhouse on "The Futility of Pacifism—without Reform," at the Friends' Institute, 97 Islington, under the auspices of the Merseyside Pacifist Group.

Two Study Circles are carrying on well: Blundellsands District, meets each Friday, leader Mr J. W. Foley, 15 Everest Road, Liverpool 23; Liverpool District, meets each Sunday, leader Mr. G. Miller, 31 Corwen Crescent, Liverpool 14.

It has been arranged to display two large posters on Mersey Platform outlining the method of the Henry George School of Social Science with mention of where the Books can be obtained. Members are asked to do their best to encourage these study circles in their own districts. All details can be obtained from the above address or from 4 Great Smith Street, London, S.W.1.

Mr A. S. Munsie addressed on 16th May the Glasgow University Students International Club on "Henry George's Life and Work." The gathering included members from a number of nations and races. The speaker reports an exceptionally interesting discussion and a determination on the part of many to learn more, proved by the demand for the books and pamphlets he had brought with him.

Letters to the Editor received in Press cuttings include those by J.W.B. (2) in the *Yorkshire Observer*, C. H. Smithson in the *Halifax Courier*, O. B. Sweeney in *Cavalcade*, A. S. Munsie in the *Glasgow Southern Press*, A. J. Mace in the *Clydebank Press*, Havershill in the *Nottingham Journal* and G. D. McKellen in the *Manchester Guardian*. The arguments in favour of Land Value Taxation reach out to a wide constituency when so published. It is field correspondence well worth developing.

SOME DISQUIETING FEATURES OF THE BEVERIDGE PLAN

By A. W. MADSEN, B.Sc.

IN his address to the Manchester Association and Branch on January 13, Mr. H. N. Linstead, M.P., the secretary of the Society, weighed the advantages and disadvantages of the Beveridge social security scheme. On balance he gave it his approval, indicating the benefits that the pharmacist "as a citizen" and the pharmacist "as an employee" would derive. But the pharmacist "as an employer" would not be so well favoured, since although he would enjoy certain benefits as an individual, such as training for a new occupation if his present livelihood fails, he would have to pay substantially higher contributions than to-day on behalf of each of his employees, so that for him "the responsibilities would outweigh the advantages."

Poll Taxes for Benefits

What Mr. Linstead says of pharmacists, for he was speaking to them as such, applies, of course, to all persons "gainfully occupied" (the phrase in the Report) in every trade as citizens, as employees and as employers; and as citizens it is true also of all others of working age not gainfully occupied whatever may be their status in society. Everybody of working age would be compulsorily insured, excepting housewives covered by their husbands' payments. Everybody with the exception stated would have to carry a card, to be duly and regularly stamped with the contribution, thus being subject to a "poll tax," as Sir William Beveridge himself aptly calls it. This poll tax would amount to £11 1s. a year for every adult man and £9 2s. for every adult woman working as an employee; of £11 1s. and £9 15s. a year per man and per woman respectively if working on their own account as employers or by themselves; and of £9 15s. and £7 16s. respectively if of working age but not gainfully occupied. The contributions payable by juveniles would be less in each case. These, then, are the poll taxes all people would be compelled to pay, excepting housewives as above stated and excepting also children and pensioners; and while any person is drawing unemployment or disability benefit he or she would be exempt from the weekly contribution to this tax (but neither the pensioners nor the other beneficiaries would be exempt from whatever indirect taxation is imposed to help the Exchequer in its payments towards the cost of the enlarged as well as of the existing social services—how much that kind of taxation diminishes the value of benefits received "from the State" has never been considered, much less computed, by the advocates of these "money for social reform" schemes!).

Consumers Made to Pay

In addition to the personal contributions above mentioned, the employer's contribution as employer would become £8 9s. and £6 10s. a year respectively for every adult man and woman employed by him, as compared with £4 15s. and £4 2s. respectively under the existing insurance schemes for health, unemployment and pensions, the tax on the employment of juveniles being less in each case. Mr. Linstead may not have put it so pointedly to the pharmacists "as employers," but it is Sir William Beveridge's own chosen term, the Report describing the employer's contributions as a "tax on the giving of employment." But does it remain with the employer? Does it come out of the employer's pocket? That is highly questionable. Where the employer can pay without docking wages or without raising the prices of his wares, he will have so much less profit and be so much less able to contribute to general taxation; what the State loses in that way has to be made up by just so much more taxation payable by others. But the general opinion among economists who have gone into the matter is that the employer's contribution, and that is true also of the existing schemes, is either passed back to the employee in the docking of wages or is passed on to consumers in enhanced prices, thus becoming, in fact, an indirect tax, the burden of which is heaviest on those least able to pay it. Furthermore, the operation of the tax, in the process of being passed back or being passed on, is not only to handicap the small trader, perhaps even make him think of shutting shop, but also to concentrate business progressively in the hands of big concerns all the more able to raise prices because they have less competition to meet.

Effects of Other Taxes

That is not all. The personal and employers' contributions that the Beveridge plan would exact through the card-stamping administration would provide but a fraction of the revenue required to pay the whole cost. The rest would come from general taxation, and if that is to mean a further turn to the screw of taxes as now levied we will get more obstructions to production and trade and therefore more depression and unemployment than the dispensation of the ill-gotten State funds could hope to ameliorate. It would be lunatic, for example, to tax windows and use the revenue to provide a "candles and kerosene" benefit, just as it is absurd to try to solve the housing problem with housing subsidies derived from the taxa-

tion of houses and of all building operations, which is the present rating system. So in the larger sphere, instead of seeking the causes of poverty and unemployment and discovering why hard times hit so terribly those who have to earn their living while others continue to seem prosperous enough, we collect and spend, or we borrow, huge sums in the hope of subsidising wages. *We do so, never stopping to think that the manner in which we get the money to pay out again may be responsible for the distress we are trying to combat—the tariffs, the petrol tax, the purchase tax, the local rates on houses and shops, etc., all of them raising prices, all of them penalising trade and hampering production; and meanwhile the steady rise in rents and prices of land goes on for the benefit of those who hold the keys to every working man's and business man's opportunity to gain a livelihood.*

The Burden of the Cost

It is well enough to picture how generous and how discriminating the "State" could be as a welfare institution if it had command of adequate revenues for the purpose. Too many have displayed the Beveridge plan in that expansive light as if the money was about to drop from the sky, or they talk like the would-be philanthropist imagining the wonderful good he would do if a fortune befell him. The consideration wholly lacking or about which little has been said in the publicity given to the Beveridge Report, and in the praises bestowed on its intentions, is that it is first and foremost a plan for new and increased taxation, since until the revenue is collected the proposed benefits cannot be distributed. The question how the revenue should be raised is of primary and paramount importance, but the plan does not discuss it. We are lobbied off with irrelevant suggestions that "we" can afford it and that "our" national income is so-and-so many multiples of the proposed extra "charge on the Exchequer." This "we" is a deceptive and question-begging term, rendering any rational economic examination impossible. The community cannot tax itself as a whole any more than it can subsidise itself as a whole. The imposition of taxation falls on certain members of the community in certain ways, according to certain standards or in respect of certain acts or possessions. The system of taxation we suffer from to-day has already been criticised, and it is to the taxpayers under that system that the question should be addressed, whether they can meet the demands that would be made of them, whether their businesses or households could sustain further burdens heaped particularly on them.

Root Cause of Poverty

The Beveridge plan is, secondly, a plan for a redistribution of such wealth as exists by the arbitrary establishment of a "right" on the part of people with smaller incomes to take perforce (with the aid of the State) some part of the incomes of those who have more. Sir

William Beveridge implicitly drives it to the point of saying, e.g., that the working man who has a wage of £5 a week (or the shopkeeper who earns that amount of income) has no "right" to the whole of it, so long as there are others who have only £3 a week in earnings; and the former must be compelled by tax adjustments and a sort of haphazard pooling scheme to hand over a portion of their weekly or yearly earnings to the latter. The intention of the plan is that the most needy will be able "as of right" to take out of the pool, in grants and benefits and allowances, more than they put into it in contributions and taxes; and what they will gain in this way will be just enough to provide them with bare subsistence, earning or not earning. The plan is a surrender to the defeatist view that the maldistribution of wealth must be taken for granted and that nothing may be done about it except to provide its victims with what is virtually public charity, continuing and extending the poor law, which began in the days of Queen Elizabeth. Relief was rendered necessary by the poverty-creating enclosures that transformed a landholding peasantry into landless labourers. Since then the rent of land, with the growth of hamlets into towns and villages into cities, has gone in ever-increasing measure into private pockets. The State and the municipalities, deprived of this public revenue, have had to resort to all those imposts on labour and on capital to which reference has been made. These taxes not only take from the individual the earnings that rightfully belong to him, but they are the bulwark behind which the land monopoly is enabled to flourish and collect, for the mere permission to use the earth, very much of the fruits of productive enterprise. It is upon this unnatural institution that the mind of the public should be directed—upon the ending of this privilege that takes ransom and restricts the production of wealth, upon the obtaining of revenues from land values as the means; whereas the Beveridge plan, keeping the urban and rural land question out of sight as of no account, turns attention upon treatment of the effects with expedients that are as certain to prove futile as they are likely to aggravate the present social inequalities. It is a savage reflection on our civilisation with its vast potentialities and wealth-producing powers by which all might have abundance that even a bare subsistence living is absent in so many homes, that amongst us a large section of the population is in such destitution that the annual expenditure of hundreds of millions of pounds would be required to lift them just to that level where they would have no more than a starvation diet.

The Beveridge proposals have now been discussed in Parliament and the Government has indicated how far it is prepared to go with them approving, incidentally, of the comprehensive medical service. But neither Sir William Beveridge nor the Government looks at the overriding social problem holding all the industrial classes, and everybody who would serve them, in a vice which if not released will crush every endeavour or good intention to better conditions.