

# LAND & LIBERTY

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## MR. HERBERT MORRISON'S BACKSLIDING

IN THE debate on February 15 on the White Paper on local government (the main proposal in which was the setting up of a boundary commission to readjust the areas of local authorities) some references were made to rating and the burden of local expenditure. Replying to the discussion on behalf of the Government, Mr. HERBERT MORRISON (Home Secretary) said:—

"The hon. Member for Cheltenham (Mr. Lipson) referred to the rating system and asked: 'Is it the last word in wisdom?' I do not know. I only say this: Once upon a time I plastered the walls of London with the slogan: 'Vote for the Labour Party and a municipal Income Tax'. A few weeks after the election—which we did not win, but in which we had made considerable progress, as usual—the hon. Member for Bow and Bromley (Mr. Key), who was then prominently associated, as he still is, with local government work in Poplar, came to my office and asked, 'How much income do you think Poplar will get out of this municipal Income Tax of yours?' It was rather a shock, and I must confess I was rather doubtful about it myself. Since then the walls of London have not seen any posters about a municipal Income Tax.

"I could make a considerable speech against the rating system, but the trouble is to find something that is better. What we have done as the years have gone on, is to merge the rating system, which started in 1601 under Queen Elizabeth, with the device of the grant-in-aid, so that you have a fusion of national taxation and all its elasticity, with the rating system and its admitted lack of elasticity. I do not say that that is perfect, but I think there is more to be said for it than, perhaps, one would think at first sight. I cannot think of anything better myself."

This is a very strange and far from candid statement. There is a great deal more of the history of Mr. Morrison and the London Labour Party than one would dream of from his speech, and one cannot help thinking of the latin maxim which may be translated: To suppress the truth is to suggest the false.

At a London County Council election subsequent to that referred to, the Labour Party won a majority on a programme which included the rating of land values. That was in 1934. The London County Council then instructed

its Finance Committee (of which the chairman was Mr. Charles (now Lord) Latham to consider the matter. The Council, under the leadership of Mr. Morrison, approved a report of the Finance Committee advocating the rating of site values, and urging that the Government should introduce legislation for this purpose. In 1937 the Labour Party, still pressing for the rating of site values, gained a still larger majority on the L.C.C. As there was no hope of the Government doing anything, the London County Council then introduced a Bill for the purpose of initiating the rating of site values in London. The Speaker ruled this Bill out of order as a subject for private bill procedure. Mr. Morrison, still leader of the L.C.C., and a member of Parliament, moved in the House of Commons, on February 15, 1939 (just six years prior to the speech we have quoted from) for leave to bring in the Bill as a public bill. There voted for this motion 114 Labour members and 21 of other parties, and against it 229. Mr. Morrison's speech on that occasion

is on record. He was then able to think of something better than the existing rating system.

It may also be of interest to recall that although the hoardings of London saw no more posters advocating a local income tax, they did see some advocating the rating of site values. One of these read: "Herbert Morrison says: 'Make the landowner pay rates.' When he pays his share, yours will be lighter." The electors also saw some very attractively printed and clearly phrased leaflets, issued by the London Labour Party, which Mr. Morrison specially advised local Labour parties to purchase and circulate. We reproduce two of these below. We think that they state the case forcefully and accurately. Can we believe that Mr. Morrison has suddenly forgotten these and all that he has said and written in favour of the rating of site values? or has he changed his mind? The electors of London, at least, have a right to demand from him an explanation of where he now stands and where the London Labour Party stands.

*Leaflets issued by the London Labour Party*

### THE CASE FOR A RATE ON SITE VALUES

The L.C.C. has a great new rating plan spreading the cost of London's government more fairly.

#### THE POSITION TO-DAY

Rates are levied entirely on houses and buildings—and are paid by the occupiers, not the owners. No rates are levied on the land itself—London's life and work makes its land worth a hundred or a thousand times more than land in the country. The landowner pockets his huge rents, but pays nothing back to the London community.

#### LONDON COUNTY COUNCIL'S PROPOSAL

Levy a moderate rate of 2s. in the £ on the annual value of land. Thus get a revenue of some £3,000,000 a year, make the landowner pay his share, spread the burden of rates more evenly and relieve the present ratepayers.

*The L.C.C. is asking the consent of Parliament to do this. See that reactionary vested interests do not prevent fair play for London ratepayers. WRITE TO YOUR M.P. ABOUT IT!*

1. Without roads, drains, hospitals, schools, parks and police, town land would have no value. Who provides these things? The L.C.C. or other local

authority. *The landowner should help pay for them.*

2. One of the L.C.C.'s biggest jobs is housing. It has to pay heavy prices for land. Some landowners who pocket these huge sums have been paying small rates on their land as "agricultural," and since 1929, no rates at all. For the land for its four big "cottage" estates the price paid by the L.C.C. represented nearly six times the value on which the municipality had, before 1929, been receiving rates on the land. This hits the L.C.C.'s tenants and all rate-payers. *Landlords should pay rates on the true value of their land.*

3. At present, rates are levied only on the use made of land, largely in proportion to the use made of it. *Make all land pay, in proportion to its value, and spread the burden more fairly.*

4. A rate on site values works perfectly in many parts of the Empire and Europe. In scores of cities the whole of the rate is on site values.

The rating of site values, like every other reform promoted in the interest of the general body of citizens, is bitterly opposed by the big vested interests—in

this case the landowners—whose unfair privileges are being attacked.

Site-value rating is no new-fangled idea. It has worked perfectly for years in great cities in Australia, New Zealand, Denmark and elsewhere.

The Conservative Government may try to block this reform on the pretext that the principle of site rating should be settled nationally.

Don't be bluffed. If the principle is right for London, and if London's government, with the support of its people, asks for its application, Parliament should not say "No."

**REMEMBER!** If the L.C.C.'s proposal for fairer rating goes through, the L.C.C. rate levied on the general body of ratepayers will be less than it would otherwise be.

#### RATES OFF HOUSES AND ON LAND

The other leaflet issued by the London Labour Party was a one-page sheet and read:—

#### THE RATING OF SITE VALUES AND THE SMALL HOUSE-OWNER

*Question.*—How will it affect the small man who owns his house or is buying it through a building society?

*Answer.*—He will benefit.

*Why.*—Big landowners will pay most of the rate on site values. This rate will mean an increase in the Council's income and so a reduction in the "general" rate. The small house-owner, while paying a small sum on his land, will save much more on the "general" rate levied on house and land together (the house being worth much more than the land). Big landowners pay; small house-owners and tenants benefit.

*Example.*—Suppose the house is assessed at £30 and the annual value of the land is £6. A rate of 2s. in the £ on the site value would mean a payment of 12s. a year, but if the "general" rates were reduced or prevented from rising by, say, 1s. in the £, then the small owner would save 30s. on his "general" rate. Thus he would be in pocket by 18s. a year.

The rate on site values would, therefore, help the small house-owner, and at the same time secure a fair payment from the big landowner and the property companies who profit by public expenditure out of the rates, but at present make little, if any, contribution.

*Moral.*—Don't let the big landowners and land speculators use the small house-owner as a smoke screen to "mask" their own selfish interests. Support the L.C.C. proposals. Make vested interests pay a fair share.

#### WRITE TO YOUR M.P. ABOUT IT

3d. THE LONDON COUNTY COUNCIL AND SITE VALUE RATING. Debates on the Bill and discussion in the Press.

## SCOTTISH SMALLHOLDERS MENACED

THE REPORT on Land Settlement in Scotland (Cmd. 6577) of a committee appointed by the Secretary of State for Scotland deserves serious attention. Except for Mr. James Dunlop, who signs a Note of Dissent, the committee propose to abandon all the distinctive features of Scottish legislation with regard to small holdings and to adopt the methods which are applied in England.

The first Statute dealing with this matter was the Crofters Act, 1886. It was the result of a long struggle which had gone on with varying intensity ever since the time of the ill-famed Highland Clearances. The main achievements of this Act, which applied only to the north-western counties, and to holdings of under £30 annual value, were: (1) To give the holders security of tenure; (2) at a rent which could be periodically revised by a judicial tribunal; (3) the rent not to take account of any improvements erected by the holders or their predecessors. These provisions had the important consequence that crofters were not rated upon the improvements made by themselves, because the value of these improvements was not included in the rent, and although they had security of tenure they were deemed to be tenants for less than 21 years, and must, under the Lands Valuation (Scotland) Act, 1854, be rated on the rent actually paid.

The crofters thus obtained conditions enabling and encouraging them to develop their holdings. They were not penalised either by higher rent or higher rates if they made improvements, nor did they risk eviction and confiscation of their improvements, for they had security of tenure so long as they paid the stipulated rent and did not commit waste to the holding.

These great advantages were, with some slight changes, extended to the whole of Scotland, and applied to holdings of less than either 50 acres or £50 rent by the Small Landholders (Scotland) Act, 1911.

In 1895 an Act amending the valuation Act of 1854 was passed to enable structural improvements, which could not be rated because they were not included in the rent of the land, to be separately assessed and rated by a separate entry in the valuation roll. This Act, however, exempted structural improvements and erections "made or acquired for agricultural purposes by the lessee of subjects wholly or mainly agricultural," and by virtue of this the improvements of crofters continued to be free from rating. The Act of 1911 applied this provision to landholders, the name then applied to crofters and to those brought under the wider provisions of that Act. Thus the position continued until 1937, when attempts were made to assess dwelling houses of small landholders who were engaged in fishing or other industries, or let their houses to others, the ground being that these houses were not used for agricultural

purposes. In 1938 the Lands Valuation Appeal Court decided that crofters, or small landholders were not liable to be rated on dwelling houses which they had erected on their holdings if they occupied the houses themselves. In other cases it seems that they may be rated on their houses.

The establishment of the crofters' and latterly of the small landholders' tenure did not create new holdings, but simply protected existing holdings. There were, however, provisions in the Crofters' Acts for enlargement of uneconomic holdings, and in the Small Landholders Act for creation of new holdings on private estates. In each case the land was rented from the owner without State purchase. Under these provisions there have been 2,249 new holdings and 2,698 enlargements, mostly in the Highlands.

Under other statutes powers were given for State acquisition of land to be let to smallholders. Under these, 2,975 new holdings have been formed and 448 enlargements. Up till 1926 all new holdings formed on land purchased by the State were let on landholder's tenure, that is to say, at a rent for the land alone, the improvements being paid for by a loan to the landholder so becoming his property for which he was entitled to compensation if he left the holding. Since then new holdings have been let at a rent which covers both land and improvements.

This change of policy involves both the expenditure of public money upon land purchase and the liability of improvements for rating. In both respects it is mistaken. The present report proposes that all the legislative powers for the establishment of small holdings on private lands should be repealed, and that all new holdings should be established on land acquired by the State "preferably by outright purchase." If this were done the change of policy commenced in 1926 would be made statutory. The present moment is, in any case, the worst which could be chosen for such a change, even if the change had any intrinsic merit. The price of land is now swollen exorbitantly because of the circumstances of the war, and the extremely high level of prices for agricultural products. New small holdings will, therefore, be created under the most unfavourable conditions. If, as is almost inevitable, prices fall, any abatement of rent granted to the new smallholders will be at the expense of the public purse and paid by the taxpayer. On the other hand, if new holdings were formed in the wise fashion initiated by the Crofters' Act, and continued by the Act of 1911, on private land rented from the landowner, adjustments of rent could be made from time to time as the circumstances warranted without cost to the public.

It may indeed be true that the number of new holdings formed under crofters' or landholders' tenure has not been large

enough to satisfy the demand for small holdings. That indicates the need, not for an abandonment of the policy, but for strengthening the legislation and operating it with more vigour. In addition, the service done by these Acts in maintaining existing smallholdings in existence is often overlooked. Two-thirds (49,003 out of 74,017) of the agricultural holdings in Scotland are between 1 and 50 acres in extent.

The position has been complicated by de-rating, which has relieved agricultural land as well as the buildings and improvements of seven-eighths of the rates at the expense of imposing heavier general taxation and heavier rates upon land and improvements used for non-agricultural purposes.

All this legislation, which was introduced under Conservative governments for the benefit of agricultural landlords should be swept away. All land should be rated upon the land value. All buildings and improvements should be free from rating. New holdings should be formed by the compulsory leasing of land from landlords, and no public money should be spent upon buying them out.

### JAMAICA

THE AMERICAN news-sheet, *Worldover Press*, November 29, quotes its Kingston, Jamaica, correspondent:—

"When bauxite, the mineral from which aluminium is made, was discovered two years ago in Jamaica, there was much excitement. But few facts became known to the people of the island or to the outside world. Quietly, representatives of a Canadian firm, called Bauxite Company of Jamaica, went through the countryside, buying up large tracts of land without divulging the exact extent of their holdings or acquisitions. Land means everything to the Jamaican, for industries are few and the population tremendous. Whatever the size of the land purchases, they were substantial enough to cause no slight alarm among many Jamaicans. Now they are discovering that the Canadian firm is a subsidiary of the Aluminium Company of Canada, which is owned in actuality by the Aluminium Company of America (Alcoa).

"The bauxite properties, described by metallurgists as 'one of the important world sources,' are expected to provide fat revenues for the company and for the sole rival concern, Reynolds Mining Corporation, of Richmond, Virginia, which also has holdings. While it is asserted that Alcoa intends to promote scientific farming to offset the loss of land taken away, native public opinion is profoundly disturbed by its inability to get straight facts, either from the companies or the colonial government, on which to base a judgment of the economic portents for the people."

The proposals of the recent Jamaica Government Commission in favour of Land Value Taxation will, if given effect, take charge of this state of affairs.

## "RICH MAN, POOR MAN"

HOW PROGRESSIVE thought and ideals can be misconstrued is illustrated in the Foreword, by Sir William Beveridge, to a new book entitled *Rich Man, Poor Man*, by the late Professor John Hilton (Allen and Unwin, 7s. 6d.), this being the Halley Stewart Lecture of 1938.

The subject of the book is the maldistribution of wealth in this country, which *Land & Liberty* has often drawn attention to in its summaries of the annual reports of the Inland Revenue Commissioners. John Hilton draws his evidence from the work of two specialists, Professors Daniels and Campion, of the Manchester and Oxford Universities. The statistics relate to the conditions of 1936-38. The main fact, which John Hilton illustrates in lively fashion, is that out of 12 million families, only 4 million families are worth all told more than £100; that another 4 million families are worth between a couple of pounds and £100; and the remaining 4 million families live from hand to mouth, owning no more than they stand up in.

After discussing the evidence for this glaring fact, and its supposed causes, the author refers to the basic assumption underlying the present fashion for social security, whether Beveridge or some other scheme. "It has been put to me so often," says Hilton, "I feel I must believe it, that what our millions want above all else is security against destitution in the event of a mishap." This, of course, is the modern belief of all parties; it is said so often to us all, that everybody believes it.

Sir William Beveridge picks this passage out in his Foreword, and seems to claim it as leading directly to his own Social Security scheme. He says that Hilton's statement is authoritative, and, written as it was in 1938, was confirmed by the "amazing popular response" in 1941 to the Beveridge Report.

But Hilton follows up his own statement (on page 155) by saying: "Yet I am not wholly convinced. Greater security, certainly. I have pleaded for it in previous chapters. Accident, sickness, and unemployment are public concerns and ought never to be tolerated as private visitations. But I beg leave to doubt whether peace of mind and social health can ever come from mere security against destitution. We should strive, also, if we are to have personal happiness and social health, for a state of affairs in which the typical family has sums of its own with which to further its own fancies and fortune, and from which to learn something of the technique of firmly holding and wisely using personal property."

Sir W. Beveridge thinks this is "nearly as important" as the preceding quotation, and more surprisingly still, claims that the fact that his scheme has no provision for a Means Test, meets the condition that Hilton has in mind, and will

leave to the individual incentive and initiative to add for himself to the minimum provided by the State. "It"—the absence of a means test—"is a condition of leaving him responsibility and freedom in planning his own life."

One wonders if this is all that Hilton did mean. The whole point of his book is the fundamental and grotesque disproportion in the distribution of wealth, and the great criticism of all the popular social security plans is that they have no sort of conception of any basic change in that maldistribution. The only thing one can say is that these schemes may make a redistribution of poverty, but wealth and property will continue to be divided in much the same unequal and unjust shares.

*Rich Man, Poor Man* quotes Campion's estimate of £20,000 millions as the total of property in private hands in 1936, and shows that this, if equally divided, would provide £1,500 per family, so that there is enough private wealth produced apart from publicly owned property. "The master figure," says Hilton, "is the proportion of those over 25 who, if they sold up all they have in the world, cashed in all their savings, paid their debts, and counted up the net balance of their worldly wealth, would turn out to be worth £100 or more." He shows that these number only 25 per cent. of the population, the remaining 75 per cent. having less than £100 to their name.

When income instead of property is considered, we learn that 11,500,000 persons had incomes in 1936 of less than £2 10s. per week, the average being £2. They are two-thirds of all the income-receiving population; they receive one-third of the aggregate income. Pensioners and unemployed not included. There were another 5 millions within the range of £2 10s. and £5 per week (average £4), and these are income rates before taxation.

Hilton disposes of the idea that the huge numerical totals of "Small Savings" can be set over against the above facts. They are shown to be deceptive as indices to the real sharing of wealth or property. In addition, Hilton, far from swallowing the social security creed, has this to say: "Not one of our social services represents the *actuality* of private means, in the sense that a lump sum of money is available to the insured person.

Our social services cover a good deal—but not that. They are one and all weekly dribbles to the necessitous given out on the avowed or tacit assumption that he or she has little or nothing in hand—and can hardly be expected to have anything in hand—to meet any emergency." This is poor support for Beveridgism, with or without a Means Test.

This book is valuable as a social record in popular form. But it shows no

## MEN AND POLITICS — ITALY, POLAND, SPAIN

realisation of fundamental causes of poverty. The author is too fond of alliteration with his references to waste on "Pints, Perms, Poms, Pictures and Pools." That there is a land question, or such a thing as private ownership of land, does not appear at all from a reading of the book, or that private monopoly of land might have something to do with this gross maldistribution of the good things of life. Prof. Hilton gets near to it once, when he asks (page 107): "What about low wages as a cause of the poverty?" a question he does not answer. And again when, in answer to the idea that all the poor have to do is to save, he says: "To save big money you must make big money, and to make big money you must either get a strangle-hold on the public, or (some rarer possibilities)." But he does not as much as guess that the monopoly in land is the permanent and all pressing strangle-hold on the nation's life. He points out that an equal division of the total wealth which would give every family £1,500, would mean an extra weekly income of £1 in interest, in addition to the earnings, but he seems never to have heard that this must soon find its way into the private rent-fund because of the economic fact that every improvement, under land monopoly, must at last accrue to the land owner. But in this we find no better guidance in Sir W. Beveridge's Foreword. The best reply to the problems dealt with by Prof. Hilton is to be found in *Progress and Poverty*, in which Henry George, in 1879, asked and answered the question: Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?

D.J.O.

Before enclosure, the English cottager had had milk, butter and cheese in plenty, home-grown pork and bacon, home-brewed beer and home-baked bread, his own vegetables, his own eggs and poultry. After enclosure, he could get no milk, for the farmers would not sell it; no meat, for his wages could not buy it; and he no longer had a pig to provide the fat bacon commended by Cobbett. Working long hours he lived on bread, potatoes and tea, and insufficient even of these. . . . At the beginning of the Enclosure period the Industrial Revolution was barely in its infancy. A large part of the spinning, weaving and other manufactures was carried on in the cottages of men who had gardens they could dig in and cows and pigs of their own. The invention of power machines, the discovery of coal wherewith those machines could be worked, led to the concentration of factories in the huge cities. But it was the drift from the villages of dispossessed men, together with the cheap child labour provided by Poor Law Guardians, that made possible the starvation wages and the tyranny of the factory system.—From *Gilbert Keith Chesterton*, by Maisie Ward; published by Sheed and Ward.

IN HIS entrancing book, *Men and Politics*, published 1941, by Jonathan Cape, Mr. Louis Fischer touches frequently on economic conditions in the countries he visited. The following extracts shed much light, the first being a report of his interview with the Italian Fascist Minister, Rossoni:—

## ITALY

"We have increased wheat production for the whole country," he (Rossoni) had begun, "and also increased the land under cultivation." He handed me the appropriate statistics.

I said, "You have a dictatorship. Why don't you nationalise land?"

"A dictatorship," Rossoni replied, "is a political matter, not an economic or social matter. We cannot take the land away from the landlords." The government could only buy the estates of those who wished to sell, and then the peasants could buy these lands with federal loans. In this way, Rossoni estimated, they could find work in the next five years for 400,000 families. But, this process was slow. Many landlords had grown fabulously rich by selling their huge latifundia at fancy prices. Besides, the peasants hesitated to assume the responsibility of heavy debt payments for twenty years. That is why "crowded" Italy had a great deal of untitled land: the landlords did not cultivate it; the peasants could not buy; the government would not take it. On December 7, 1935, the *Osservatore Romano*, newspaper organ of the Vatican, reported a Rome congress of peasants who urged that the estates be divided. I therefore persisted, and said to Rossoni: "Instead of conquering Ethiopia, which you hope will accommodate surplus Italians, why don't you attempt to take care of them at home by introducing a land reform?"

Slightly irritated, Rossoni replied: "The Abyssinian war perhaps has economic reasons. But chiefly the reasons are moral and political. France did not acquire colonies because she was overpopulated. Nor did England." He was saying just what I should have wanted him to say if I could have planned it. There was never any truth in the claim that economic necessity or the need of new lands for settlement, or even the need of raw materials, compelled the so-called "Have Not" countries to expand. Rossoni also had admitted that Italy behaved like any other capitalist country in relation to its rich landlords. The interview was going fine.

"Italy must make a new contribution to civilisation," Rossoni continued. "Italy must carry civilisation to the entire world." He black-pencilled that last sentence, perhaps as being too immodest.

This did not satisfy me, and I said, "You have a dictatorship. You can send people to war, maybe to their death. Why can't you take vacant land

from the estate owners and give it to the peasants?"

Signor Rossoni, to my delight, was now thoroughly aroused, and replied with equal candour, "That is demagoguery. Peasants must be directed. 'Give land to the peasants.' That is a phrase. There must be organisation. We are Fascists, not Socialists." (Pages 263-4.)

## POLAND

Finance Minister Kwiatkovsky, on December 5, 1935, announced in the Sejm—Poland's parliament—that Polish peasants with twenty-five acres of land spent on the average \$8 a year. (In 1929, they had spent \$22.40 a year.) But they were millionaires compared to the peasants who held only ten to twelve acres, and who constituted thirty-one per cent. of the population, and another thirty-four per cent. who owned even smaller "dwarf households." He said, "Ten million persons stand completely outside the realm of economic life." They neither bought nor sold. Jews, Poles, Ukrainians, who received three dollars a month from American relatives could become business men on that money. (Page 276.)

## SPAIN

In the neighbouring province of Badajoz, hard by the Portuguese frontier, which we visited, agricultural conditions were even worse than in Caceres. Eighty-five per cent. of the population lived by the land. There were 175,000 families in the villages. But 2,946 individuals owned forty per cent. of the soil. Here, too, the yunteros took land in the spring of 1936 and then signed leases for it. (Page 311.)

The Catholic hierarchy of Spain has done much harm to Catholicism in Spain. The Loyalists are not anti-religious. In Soviet Russia the régime is frankly atheistic. One will look in vain, however, for anti-God sentiments in the declarations of the Loyalist government or of its leaders. But the church has taken the sides of the generals, the Nazi pagans, the infidel Moors and Mussolini. This will react to the disadvantage of the church. The people will distrust the church. A Franco victory will hurt the church in Spain. It will die in the hearts of common men. Only a liberal triumph could enable Catholicism in Spain to attempt to redeem itself. When the civil war broke out, the people did not burn banks or commercial houses. They burned churches. I regret this. But this has happened before in Spain and Mexico and elsewhere. Where popular wrath overflowed, it attacked the church, which was closer to the higher-ups than to the underdog. The church in Spain behaved like a political party, and it has to pay the penalties. It is in the front line of battle fighting under the Fascist banner. It cannot complain if it is struck by the bullets. (Page 456.)

## FULL EMPLOYMENT AT THE LIBERAL ASSEMBLY

MEMO OF NOTES which the Liberal Liberty League received from a Fellow Delegate and circulated in typewritten form at the Liberal Assembly, London, February 1 to 3. The words that were underlined are here set in italics.

The Resolution No. 17 in the Final Agenda embodies proposals and policies which are stated in very general terms. Particular explanation is provided by Sir William Beveridge in his book: *Full Employment in a Free Society*. Some relevant passages are here quoted as a guide, with acknowledgments to Sir William. Speakers can themselves anticipate questions likely to arise or draw what inferences they will, allowing, however, the compiler of these extracts to underline expressions as having a special significance; and to add at the end brief comments on some starred passages. Page references are to the book.

### 1. "PRIMARY AIM OF THE STATE" AND "PLANNED OUTLAY"—Resolution, lines 2 and 10.

(a) PAGE 187: "The State cannot escape ultimate responsibility for the general direction of *outlay* by reference to social priorities, however much it may be guided in its direction by the preferences expressed by *citizens* . . . . The State cannot undertake the responsibility for full employment without *full powers*."

(b) PAGE 116: "Even if the economy were planned, most of the spending would still be done by consumers meeting their needs from personal incomes according to their individual views; the allocation of resources would be in accord with the *natural desires* of the citizens, as interpreted by the planners."

(c) PAGE 147: "The Government has to decide . . . as to the extent to which it shall rely upon making public outlay itself and upon *influencing* private outlay, as to the division of outlay between consumption and investment; . . . as to the extent to which the *means* of outlay whether private or public shall be provided by *taxation and by borrowing* respectively."

\* (d) PAGES 179-180: "The *supreme direction* of the country must be in the hands of . . . *men able to decide quickly*, but with time to read, think and discuss before they decide. In addition to a Prime Minister, freed from every departmental care, two Ministers seem clearly designated for this *supreme Cabinet*, a Minister of National Finance . . . and a Minister of External Affairs."

### 2. "INTERNATIONAL TRADING ARRANGEMENTS"—Resolution, lines 67 et seq.

(a) PAGE 238: "The whole trend of the argument . . . is towards a *management* of international trade, in place of leaving it to unregulated competition. That is to say, it is towards that for which the *cartels* stand. To attempt to destroy or stop cartellization would, therefore, be a contradiction of policy."

(b) PAGE 241: "International trade, both for imports and for exports, will on the whole have to come under *public management*, in place of being left to market forces either competitive or monopolistic. The organs which serve for planning at home will also serve for planning in the wider sphere."

(c) PAGE 141: "Since a proportion of any increased spending in Britain, whether public or private, is certain to

be directed to imported goods, an increase of national income through public *outlay* tends to raise imports without at the same time stimulating exports, so that unless steps are taken to prevent this, it affects adversely the balance of payments."

(d) PAGE 209: "A country suffering from depression and unemployment may want a surplus of exports over imports as a way of getting out of depression, and in order to secure this export surplus, it may by tariffs and in other ways, *restrict drastically* its current imports."

\* (e) PAGE 218: "Each of the participating nations . . . must aim at a certain stability of economic behaviour—*continuity in tariff, subsidy, foreign exchange and other economic policies*—and must refrain from introducing important changes in these policies without prior consultation with the other participants."

(f) PAGE 223: "Discrimination, that is to say, selective control of imports, may be useful and necessary for adjusting minor discrepancies in the balance of payments."

(g) PAGE 211: "If buoyancy of the home market should cause British industrialists to neglect the foreign market, it would be necessary for the Government either to create sufficient inducements for private traders to export or *itself to take a hand in the export business*."

(h) PAGES 237-238: "Uncontrolled movements of capital from one country to another . . . represent a danger against which safeguards must be provided . . . It is difficult to see how, in practice, this control of capital movements can be secured without a general system of control over all *exchange transactions*, though this need not involve a *postal censorship*."

### 3. "OUTWORN FINANCIAL CONCEPTIONS"—Resolution, line 34.

(a) PAGE 147: "What new rules of national finance should replace the old rules of public finance . . . of reducing State expenditure to a minimum and of *balancing the Budget* each year? . . . The first rule is that total outlay at all times must be sufficient . . . taking precedence over all other rules and *overriding them* if they are in conflict with them."

(b) PAGE 147: "The State in matters of finance is in a different position from any private citizen or association of private citizens; it is able to *control money* in place of being controlled by it. Many of the mistakes of the past have arisen through failure to make this fundamental distinction."

\* (c) PAGE 148: "Most of the objections that have been made in the past to *borrowing* by the State are *fallacies*. An internal national debt increases the incomes of some citizens by just as much as the *taxation necessary* to pay interest and sinking fund on the debt decreases the incomes of other citizens; it does not and cannot reduce the total wealth of the community."

(d) PAGE 272: "The importance attached (in the Government White Paper) to balancing the Budget, in the long run though not in a particular year, excludes continuous deficit spending by public authorities. Yet either this or a drastic redistribution of income to increase the propensity to consume is in the last resort *essential*."

### 4 "STATE EXPENDITURE AT THE REQUIRED LEVEL"—Resolution, lines 8 et seq.

(a) PAGE 99: "The State . . . possesses an unlimited *command* over the nation's credit and therefore can use the *savings* of its citizens in any way that seems good to it. It can spend them . . . and still be able to repay with interest what it has borrowed . . . The State will not as a rule have any specific income from which to repay the loan. It will have to rely and can rely upon *taxation or further borrowing*."

\* (b) PAGE 136: "The State . . . must be prepared at need to *spend more than it takes away* from the citizen by taxation, in order to use the labour and other productive resources which would otherwise be wasted in unemployment."

\* (c) PAGE 147: "It is better to employ people on digging holes and filling them up again than not to employ them at all; those who are taken into useless employment will, by what they earn and spend, give useful employment to others. It is better to employ people, however the money for their wages is obtained, than not to employ them at all."

\* (d) PAGE 209: "For a community suffering from mass unemployment, *exports may be advantageous* though they are given away, or, what comes to the same thing, though they are made on loan to a country which later *repudiates the debt or are exchanged* for a relatively useless token like gold while useful imports are refused."

\* (e) PAGE 209: "The employment given and the wages paid to the persons engaged on additional exports set up an internal demand for other labour, so that the *exports*, even though they are themselves *given away* may increase the production of useful things and add to prosperity at home."

### 5. "PRIVATE EXPENDITURE AND INVESTMENT"—Resolution, lines 24 and 63.

(a) PAGE 23: "Liberty of a private citizen to *own means of production* and to employ others in operating them at a wage . . . is not an essential liberty in Britain because it is not and never has been enjoyed by more than a very small proportion of the British people."

(b) PAGES 184-185: "There are several serious objections (to the placing of adequate purchasing power in the hands of the citizens so that they will spend more). The *citizens' outlay* might not be wisely directed . . . The outlay . . . cannot be indiscriminate; . . . it must be directed . . . it must be designed to correct the instability of investment."

\* (c) PAGE 185: "General stimulation of private outlay—attained by remission of taxation—may to a large degree set up a demand for foreign instead of home produced goods, and thus give employment to foreigners rather than to people unemployed in this country . . . The additional citizens' outlay might not be directed to those forms of consumption which were socially most desirable; it might go to luxuries rather than to the necessities—good food and good housing."

(d) PAGE 177: "If . . . private enterprise proves *unwilling* to embark on a major project that the Government considered to be necessary . . . the State should undertake it under public auspices."

(e) PAGE 178: "Assistance (of a National Investment Board) would take the form of ensuring . . . a lower rate of interest



on investments for approved purposes . . . . By pledging the credit of the State it would enable borrowers to obtain funds . . . on terms otherwise unobtainable."

(f) PAGE 178: "The (National Investment) Board should have some power, suitably safeguarded, of *direct control* of investment—that is to say, *power to stop or reduce* by order a proposed private investment plan."

(g) PAGE 189: "If the State fails by lesser methods . . . . the case will be made out either for bringing a larger part of *industry into public ownership*, or for stronger controls over private investment generally."

(h) PAGE 207: "If the private owners . . . fail, with all the help of the State and in an *expanding economy*, to stabilize the process of investment, the private owners cannot for long be left in their ownership."

\* (i) PAGE 23: "If . . . . it should be shown by experience or by argument that *abolition of private property* in the means of production was necessary for full employment, this abolition would have to be undertaken."

#### 6. "FACILITIES FOR THE PASSAGE OF LABOUR" —Resolution, line 41.

(a) PAGE 169: "*Deliberate direction* of demand, with reference both to the industries and the places in which the workpeople can be found, will be an essential measure."

\* (b) PAGE 172: "*Obstacles* (to movement) . . . may be of two kinds—arising from the *unwillingness of the individual* to change his job or place of residence or arising from restrictions on entry to particular trades."

\* (c) PAGE 32: "*Organized mobility* means that if and when change is necessary, men and women *shall be willing* to change their occupations and their places of work."

\* (d) PAGE 171: "The suggestion is sometimes made that the *compulsory* use of employment exchanges for all engagements should continue in peace as in war. In regard to . . . boys and girls up to the age of eighteen, the case for imposing such a requirement is clear. Under the new educational system such persons will still be subject to the *care of the community*, citizens in process of formation not fully formed."

\* (e) PAGE 172: "There can be no objection of principle to requiring corresponding notification by *employers* of every vacancy to an employment exchange, or going further and *requiring* the actual engagement to be made either through the exchange or an approved agency, such as a trade union . . . . *Compulsion* may prove to be unnecessary; at least it may seem reasonable to wait to see whether full systematic use of an organized labour market can be brought about without it."

(f) PAGE 22: "If men are free to move from one employment to another and do not fear dismissal, may not some of them at least become so *irregular and undisciplined* in their behaviour, as to lower appreciably the efficiency of the industry?"

(g) PAGE 206: "The smooth working (of the policy) involves the co-operation of work-people, in *enforcing industrial discipline* on the unruly, in securing maximum efficiency and removal of restrictions upon output."

#### 7. "HOUSES, FOOD, FUEL, ETC., AT REASONABLE PRICES"—Resolution, line 45.

\* (a) PAGE 30: "The State takes the initiative by placing *collective orders*—for food, fuel and perhaps other necessities—with a view to *re-selling them* later to private consumers at a price which may need to be lowered by a subsidy."

\* (b) PAGE 157: "The . . . . policy . . . . involves . . . . *collective demand* for essential consumption goods to be supplied to private citizens through the ordinary channels of retail distribution *at a price which, at need, may be lowered by a subsidy* . . . . The essential goods . . . will include food and fuel. It may, in due course, be extended over a wider field with the State taking more and more of the general business of *wholesaling*."

#### COMMENTS

The book interprets the Resolution, shows what is involved in it and helps to an understanding of proposals to which the Liberal Party should or should not be committed. A reviewer of the Book said it has been hailed "from both the Right and the Left." On the "Right" are the protectionists and the landed interests; on the "Left" are the State Socialists and the Communists. Whether the book offers an escape route in either of these directions—neither of which is Liberal—is for the student of the book to judge, if the foregoing extracts do not suffice. As for the starred items, consulting other countries.

\* 1. (d) A British directorate, dictatorship or politburo seems indicated?

\* 2 (e) These conditions would apply to the lowering or abolition of tariffs as well as to their increase, so that Britain may not be permitted to disturb "stability" by opening its own ports without consulting other countries?

\* 3 (c) If this is true, does it matter how much one citizen must pay another for goods or services or permissions; or to what level the rent or price of land (for example) may rise? Mr. (now Lord) Lloyd George patented the thought at the close of the last war, speaking at the Guildhall, November 8, 1918: "If we are heavily in debt, we owe nine-tenths of it to each other. . . . It is all in the family."

\* 4. (b) "Productive resources" and "means of production" frequently re-

ferred to in the book are nowhere exactly defined. They necessarily include natural resources (i.e., land, both urban and rural) and vast sums to buy or "invest in" land are involved, as in the inter-war years, with result that unemployment was aggravated; the schemes were shattered by land speculation.

\* 4. (c) Why use or misuse good labour and material in that way and throw wealth into the sea? Not necessary that these unemployed should work! Pension them handsomely, because it's the money they spend which performs the miracle of Keynes's "multiplier" principle.

\* 4 (d) and (e) Not an original idea. Mr. John Wheatley, Minister of Health in the Labour Government, put it as a matter of State policy, saying in Glasgow on September 14, 1924: "A Russian loan would help unemployment in this country. It would be a good thing even if it were never paid." Same argument as "digging holes and filling them again."

\* 5 (c) Conflicts with 7. (a) and (b). If food, etc., prices are subsidized, citizens will have more to spend in other ways, and the "State" will itself be the agent of stimulating the undesirable imports and of "exporting employment." That "dumping" anathema of the protectionists will start all over again.

\* 6. (b) Inferring that workpeople are the obstructionists preventing wealth production; and that "facilities" are not for them but for the Government which is to be armed with power to enforce its will.

\* 6 (c) and (d) and (e). The book repeatedly uses such terms as "deliberate direction," "organized," "unwillingness of the individual," "compulsion," "imposing requirements," "enforcing discipline," etc. But its title promised a "free society."

\* 6 (d) Danger that some words here may be interpreted in the German Nationalist-Socialist sense, or in the Italian-Fascist.

\* 5 (i) The most revealing statement in the book; its argument unproved; the admission of uncertainty; the study of Political Economy in vain; the door to Communism standing wide open, as the only alternative to the overthrow of monopoly and privilege.

YOUR FELLOW DELEGATE.

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## HUNGARY AFTER THE ARMISTICE

(Quoting Count Michael Karolyi in the *Manchester Guardian*, February 1.)

THE PEACE of the Danube Basin requires that Hungarian feudal reaction should be removed from the saddle and that the landless peasants should rise from their political and economic oppression. One of the parties participating in the coalition forming the Provisional National Government, the National Peasant Party, has put forward a draft scheme for land reform which will shortly come before the Provisional National Assembly, and which represents a suitable foundation for the solution of this problem. If this scheme is realised we shall be able to regard Hungarian feudal reaction as dead and buried. This is the key problem. . . .

A democracy without fundamental land reform in Hungary could only be a formal democracy in the same way that France, in spite of the French Parliamentary system, was led into catastrophe in 1940 by the famous "two hundred families." That kind of democracy is out of date to-day, and would become an easy victim of various brands of Fascism. If we really want to utilise the force inherent in the Hungarian people, if we really want to eliminate any kind of reaction, simultaneously with the building up of local government organs and the extension of the controlling powers, we have to raise the standard of living of the masses. Only a democracy built on such foundations could guarantee peace, and only a peace signed by such a democracy will be more than a scrap of paper. In such a democracy the Hungarian peasant will no longer dispute the rights and sovereignty of the neighbouring peoples. He will not want to rule over Serbs, Slovaks, or Rumanians, as he will have nothing to do with the old ruling clique which kept him, not unlike his neighbours, in misery and oppression. When the people determine the country's policy the false ideologies will disappear.

### A SOCIALIST ON PERSONAL LIBERTY

OF WHAT use, we are sometimes asked, is liberty to a starving man? Obviously of no use at all, since nothing is of any use to him but food. But, although man cannot live without bread, he does not live by bread alone. One of the worst infamies of our existing social system is that so many people are preoccupied so exclusively by the necessity of getting their bread, and the constant uncertainty as to whether they will get it or not, that they cannot concern themselves with anything else. Such people exist: they can hardly be said to live. If they were offered enough to eat and drink for the rest of their lives at the price of certain restrictions on their liberty, they might well accept the offer. But, when once they were relieved from anxiety about their daily bread, they would demand liberty. . . . The desire for liberty is not an exclusively human instinct; it

exists among all the higher animals. A wild bird caught and caged has greater security than in freedom. It is in no danger of dying of cold or hunger, or of falling prey to a hawk. But, in the effort to get free, it will beat its wings against the bars of the cage until it breaks them and perhaps kills itself. It prefers death to slavery. We shall make a mistake if we attempt to base any social order on the assumption that the love of liberty is less deeply rooted in the nature of men than in that of birds. . . . Liberty becomes positive only when the individual is regarded in his relations with society, that is, with the totality of individuals. Absolute personal liberty is in the nature of things impossible, except so far as opinion is concerned, since several absolute liberties cannot exist together. The liberty of each individual is necessarily limited by that of others. But it does not follow that any and every interference with personal liberty is permissible in the supposed interest of the collectivity. Experience has shown that the real and ultimate interest of all is to secure to each the maximum of liberty, or, in the words of Henri Barbusse, "to use a much more concrete expression, the minimum of constraint." And it is possible to define the minimum of constraint. The irreducible minimum is such constraint as may be necessary to prevent an individual from so using his liberty as to interfere with the liberty or the rights of others. . . . What greater restriction of personal liberty could there be than the power of a few to deny to others the right to use the land, that is, the right to exist? There can be no economic freedom without access to the land.

From *Socialism and Personal Liberty*, by Robert Dell.

### PRACTICAL QUESTIONS

A BELFAST READER writes:—

"I am greatly interested in the taxation of land values, but I cannot grasp the details of the technique by which the tax is to be paid and what difference it makes to our present procedure.

"May I give an example? I took a lease of one-eighth of an acre at a ground rent of £9, equivalent to a capital value of about £200. On this I built a house costing £700, which is valued for rating at £36. As the rates in our city are 11s. 4d. in the £, I pay in rates about £21 a year.

"Under the proposed system would I pay 11s. 6d. in the £ on the £9 annual value of my land? Do I continue to pay the £9 ground rent? If I pay the rate on land values how is it passed on to the ground landlord?"

The answers to our correspondent's questions are:—

Under the rating of land values all sites, whether built on or vacant, whether used or unused, would be assessed at their annual value as sites. That is to say, they would be assessed at the amount for which they could be let at the time of valuation on a perpetual

tenure assuming that there were no improvements on the site.

This annual site value may be greater or equal to or less than the amount of any ground rent payable for the site. Even if the ground rent was a fair estimate of what the land was worth at the time of the lease being made, the value may have altered subsequently.

The valuation should be revised frequently and the annual site value assessed would, therefore, be very near to the true value at any time.

The amount of the rate which would be imposed upon site values would depend upon the total site value of the district, just as the rate at present levied is determined by the total revenue needed and the total rateable value. It is, therefore, impossible in your illustration to say what rate on site values is needed because the total site value of your city is not known. What can be said is that experience in every country in which the rating of site values has been introduced, shows that the annual site value is much more than sufficient to provide the municipal revenue needed.

Although it seems improbable that a valuation which includes only the annual value of the site would be greater than one which includes the annual value of buildings and improvements also, it is to be remembered that unused land is not valued at present, and badly developed land is only valued according to the use currently made of it. In addition, in England at any rate, the existing rateable values are often much less than the true annual value. It may therefore be that the rate in the £ required on annual site value might not be very different from that levied on rateable values at present.

As to the way in which the rate would be collected. In the first place you would pay it, and then you would deduct from your ground rent the share to be paid by the landlord. If, for example, the true annual site value of your land is now £12, and suppose that a rate of 12s. 6d. in the £ would be needed. Then you would pay 12s. 6d. on £12 or £7 10s., and you would recover from your landlord by deduction 12s. 6d. on £9 or £5 12s. 6d. On the other hand if your annual site value is £9 or less, you would pay the site value rate and deduct the whole from the ground rent. (In this case the ground rent would be more than the site was worth, but this is a problem in the law of landlord and tenant and not in that of rating. All that need be said here is that rating of site values would make this problem easier to deal with, because among other things it would provide a valuation without which the facts in any particular case would be obscure.)

2d. HOW THE ENGLISH PEOPLE BECAME LANDLESS. And How to Regain the Land.

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2s. 6d. LAND AND FREEDOM. A new, comprehensive and up-to-date treatise on Land Value Taxation. By Frederick Verinder.

## THEIR HOMELAND

They go to beckoning lands of freedom;  
go

To taste the happiness denied them here,  
Yet mournful their departure and its  
cause,

For who are these? The pick of Eng-  
lish fields,

The sturdy backbone of our villages,  
The agricultural life-blood of the land . . .  
It need not be: unlock the English soil;  
Let plough reclaim the waste, and soon  
would come

Into the rural struggle of hand-to-mouth  
Comfort with golden smile, and pallid  
Want,

Willing to die, would 'neath the sheaves  
expire.

God is the Landlord, and our toil the  
rent

We pay to Him: our title to the land  
Its culture: failing this, then that is lost.  
Think of the orient Galilee of old,  
Divided 'mong the Hebrew multitude.  
By its Divine Proprietor! The fields  
Had many owners—here they have but  
few,

And if they lapsed, the trump of Jubilee  
Called back the former owner to his own.  
Though small the freehold, golden its  
reply

To the plough's earnest questions.  
Patience sang

Amid the furrows. Patriotism struck  
Strong root tenacious deep into the land.  
O would you make our peasants into  
men

That, not from ignorance and dread of  
change,

But, patriotic, to the landscape cling,  
Then let them see upon its bosom bright  
A field that they have won, tamed from  
the wild,

And so their own. Then barrenness  
would break

Into a thousand sheaves: the rural  
drudge

Be quickened to a life ne'er reached by  
beer,

The skittle-alley, and the roaring song.  
I'm sent to preach: to poor men only  
heaven?

To rich men heaven and earth? Both  
are for both,

In both there's room for each to have a  
share!

From *The Village*, by the Rev. G. T.  
Coster (1890).

## VILLAGE WATER SUPPLIES

In a report of a water and sewage survey carried out in England and Wales, the National Federation of Women's Institutes expresses the general view that village sanitary conditions are disgraceful, and the lack of water is a "national shame." The report states that at Cerne Abbas, Dorset, sanitation has "not much improved since Tudor days," and that in Lyminge, East Kent, evacuees have made up their minds to "rush back to the towns" when the war is over because the sanitary conditions make life a burden.

About 2,500 out of 3,500 villages

answering the questionnaire had a piped water supply to some part of the village, about 2,000 villages reported that their water supply was tested, but some institutes stated that contaminated wells were still in daily use.

In 21 counties over 50 per cent. of the village schools investigated had earth or bucket lavatories. At Great Rissington (Gloucestershire) is a sanitary "vault" which has not been emptied since the school was built 40 years ago. Eighty yards below it is a pump supplying 14 houses with water in times of drought.

"The school at Cookhill (Worcestershire) has no water supply since its well in the burial ground was condemned. The drainage from 12 council houses in Warmington (Northants) goes into an open dyke which runs through the centre of the village and under the bakehouse. It was cleared out once last year, and the mud was left on the banks with exactly the odorous result one would expect."—(*The Times*, August 26.)

## THE SCOTTISH RATING SYSTEM

THE RECENT proposal of the Property Owners' and Factors' Association in Glasgow to let business premises at the net rent, on the tenants' undertaking to pay both owners' and occupiers' rates, once more calls attention to the disastrous effects of the present rating system in Scotland. The Secretary of the Association, Mr. R. Murray MacGregor, stated that "the Scottish rating system is the most fantastic one which could be devised." In their Annual Report the Association stated that "Glasgow is the highest rated area in the country, and that the well-being of the city was jeopardised by the exorbitant rating burden imposed." In commenting upon the Association's proposal, in a leading article, the *Glasgow Herald* said "a thorough overhaul of the whole system of financing local government is needed."

A memorandum was submitted by the United Committee for the Taxation of Land Values to the Scottish Rating and Valuation Committee set up by the Secretary of State for Scotland in 1943, propounding the only true remedy for these prevailing difficulties—the rating of land values. It is unfortunate that the Property Owners' and Factors' Association, and the *Glasgow Herald*, while justly condemning the Scottish rating system, should not also have advocated this policy. The Association's proposal to modify the present system on the lines of that ruling in England would still leave Scotland burdened with a rating system which would gravely obstruct the provision and improvement of housing.

Municipal revenue must be raised to provide for local services, and it is surely only equitable to place the burden upon the shoulders of those who benefit most by municipal expenditure—the owners of land within the city boundaries. The

policy of the rating of land values, by imposing rates on every site, whether vacant or not, and by the removal of rates upon buildings and improvements, would greatly reduce the burden upon the present ratepayers. But of greater importance still would be the stimulus which it would give to general industrial prosperity, and particularly to building enterprise. With land being offered for development at purely nominal prices, the long-suffering citizens of Glasgow would find two of their most pressing problems, high rates and lack of adequate housing accommodation, would be speedily involved.

R.J.R.

## ARE SITES SO CHEAP?

MR. WOODBURN (Stirling and Clackmannan—Labour) in the House of Commons debate, on January 24, on the Local Authorities Loans Bill: "A storm was raised in the House some months ago over the cost of land. One would have thought, from some of the statements that were made, that the whole rent of a house depended on the cost of land. The cost of land amounts to only 3½d. per week. In other words, if we got the land for nothing we should save 3½d. per week; but the interest can amount to as much as 17s. a week."

Mr. Douglas (Battersea, North—Labour): "I do not accept his (Mr. Woodburn's) statement that this Bill will solve the problem of building houses or that the cost of land is a negligible factor. I only wish my local authority was able to procure land on the kind of terms he mentioned, instead of having to pay, in many cases, £200 to £300 for land per flat which it has to build."

Mr. Gallacher (Fife, West—Communist): "I do not understand the financial juggling of the hon. Member for East Stirling (Mr. Woodburn), showing that local authorities only pay a few coppers a week for land and 17s. for interest. You cannot separate the cost of land from the interest. The interest is used in respect of loans for land, materials, and all the rest of it. There are many authorities in this country who have heavy interest to pay because of the high cost of land. . . . Land is one of the most serious problems."

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## LIBERAL LIBERTY LEAGUE AND THE LIBERAL ASSEMBLY

AT THE Liberal Assembly in London, February 1 to 3, the Liberal Liberty League, itself affiliated with the party, proposed to amend the official resolution on "Full Employment" by substituting a declaration the key-note of which was its demand for the destruction of monopoly and the liberation of productive enterprise by policies designed to attain full freedom of production and trade. It called for Land Value Taxation and Free Trade and asked the Assembly to renounce any plans or proposals which involve increased regimentation of the individual, permit an arbitrary restriction of imports, make our fiscal policy depend on that of other countries, use taxes or loans or the manipulation of money to give subsidies or other financial benefits to sectional interests, and contemplate the unbalancing of budgets and the expansion of the public debt on the assumption that taking money from some and transferring it to others will advantage the community. The keynote of the official resolution, on the other hand, was "the adoption of a policy of maintaining by adequate public and private expenditure, a demand for the products of industry which is sufficient to absorb the whole man-power of the nation."

The official resolution was an attempt to state in as few words as possible the policy set forth in Sir William Beveridge's book, *Full Employment in a Free Society*, and it was taken for granted by all concerned that it was that policy and its implications (which the Amendment quite truly depicted) which was in debate. And to serve still better the purposes of the debate, the Liberal Liberty League circulated to as many of the delegates as it could reach, and to representative Liberals all over the country, a document it had received from a Fellow Delegate quoting significant paragraphs from the book, in the expectation that the *ipsissima verba* of Sir William himself would leave no one in doubt about the direction in which the Party was being led. The same was sent to the Press with a covering letter, as to the recipients among the Liberal party, insisting that the resolution ignored the bearing of the land monopoly and repressive taxation on the poverty and unemployment problems; it was shot through with proposals for State management and controls of industry and commerce, not only dangerous in the extreme but absolutely in conflict with the true contention of a Liberal State. Several papers remarked that "as these papers have gone to those in favour of the resolution, including doubtless Sir William Beveridge, it will not be surprising if they are dealt with in advance." They were. Sir William in his speech moving the resolution, indicated to the Assembly that he had been misquoted or misrepresented, that the document was untrustworthy and the best place for it was the waste-paper basket. The quotations have been most carefully checked and Sir William has since by letter been given the opportunity, which is still open to him, to clarify his assertion.

[The document is printed as a supplement to this issue.—Editor, *Land & Liberty*].

The fate of the Amendment was a foregone conclusion; it was rejected by a considerable majority after no more than perfunctory discussion. The mover of the Amendment (Mr. Ashley Mitchell) and the seconder (Mr. T. Atholl Robertson) had between them fifteen minutes, whereas the mover of the resolution (Sir William Beveridge) and the seconder (Mr. Elliot Dodds) had between them 35 minutes. Seven speakers got in their

hurried remarks in the two minutes each was allowed, and the debate was closed with many who had sent up their names still desiring to take part. The big battalions, instigated and led by the platform party, were determined upon the passing of the resolution as a signal mark of acclamation to their (as they deemed) politically valuable new recruit. Had not the President, Lady Violet Bonham-Carter, with welcoming cheers, introduced him to his "spiritual home"? Discussion on points of principle or policy or interpretation of the attractive slogan "Full Employment" was heard with impatience.

For days before the Assembly anxious busy-bodies besought the Liberal Liberty League to withdraw its Amendment. They were in a grave dilemma. They saw that the Assembly would be faced with a most awkward choice—either to throw Sir William Beveridge overboard by rejecting his "spend to make work" policy (its questionable implications admitted), or to repudiate Land Value Taxation and Free Trade and all the pledges and beliefs in that regard by which the party is most deeply committed. These politically nimble messengers would have it that the demand for Free Trade, at any rate, could be stated in a separate resolution; its clash with the planned economy and protectionism of the "Full Employment" resolution would be concealed; the party would retain Sir William and Free Trade as well; or the Free Traders would be responsible for losing both! But the Liberal Liberty League was determined that the Assembly must decide between two policies so violently in conflict, which road it wished the party to travel, either that which led to liberation from monopoly and special privilege, to the prevention of the misappropriation of the rent of land, to the abolition of tariffs and repressive taxation—or to the State care and domination of individual and industrial life. The "spend to make work" policy is a fallacy and a pernicious fallacy at that. Without vestige of proof or pretence of argument the Assembly accepted it in a confused atmosphere, principles subordinated to politics and candidates sent into the field to speak not for liberalism but for what cannot be distinguished from the authoritarian State. When the Amendment was defeated few of its supporters stayed for the final vote. The immediate contest was over; but that the League now addresses itself to its task with renewed and unflagging vigour let there be no doubt.

Supporting the Amendment, Mr. ASHLEY MITCHELL remarked upon Sir William Beveridge's slight of the Free Traders and Land Value Taxers that they "belonged to the bow and arrow age"; they were so out of date. By comparison, Mr. Mitchell said, the State planners belonged to the stone age. For the Liberal of all parties to come forward with the advocacy of more State control with its inevitable army of officials was not only a paradox; it was political folly. Sir William had made a blunder. He had forgotten the shrewdness of the British jury. With the Socialists in full cry for the bureaucratic State and the Conservative leadership already compromised by the proposals of the present Government for further regimentation, the public were seeking representatives who would offer them "the biggest boot behind bureaucracy." They would say to Liberals who made these proposals: "We don't want you." Lady Bonham-Carter had referred to her father's work for Liberalism but could they imagine Mr. Asquith standing for this policy of reckless finance? Mr. ATHOLL ROBERTSON seconding the Amendment inquired about

the facts: had Sir William Beveridge joined the party or had the party joined Sir William Beveridge? Mr. W. C. WOODROOFE said he had had enough of planning whether by Communists, Socialists or Sir William, and if he were on a street corner he would say: "I have had a bellyful of planning, enough to last a life time." CAPTAIN J. R. M. SENIOR replied to the perversions of the phrase *laissez faire* that were again trotted out. The English for it was "get out of the way" and he gave livelier versions of it in Welsh and broad Scots, to the landlords it said "go chase yourselves." COMMANDER GEOFFREY BOWLES saw the influence of Mr. E. F. Schumacher, the collaborating economist now at Oxford, who had come from Prussia in 1934, leaving behind the National Socialist totalitarianism he was now advocating for Great Britain; the proposed "man-power" Budget was simply "translated German." Significant were the misgivings expressed by two prominent supporters of the resolution, Mr. ELLIOT DODDS saying he had doubts about certain points which it contained and that its proposals challenged some venerable orthodoxies; and Mr. RONALD WALKER said that the resolution might make some Free Traders unhappy and cause some uncertainties, but he was prepared to support "this frontal attack on poverty." Lady Bonham-Carter thanking him for this intervention which "must have cost him a good deal to make."

The Assembly proceeded to discard the Rating of Land Values which had been embodied in the Housing Resolution submitted by the Executive in the Preliminary Agenda. The Executive itself substituted, in the Final Agenda, a different resolution of great proximity which omitted the words of the original resolution "The first essential for such a reform [the taxation and rating of land values] is the valuation of land separated from buildings; nothing would stimulate building more than the relief of buildings from rates and the levying of them on the unimproved value instead of following the practice successfully applied in Australia and New Zealand; the Liberal party will continue to agitate for this reform." The new resolution stated that: "The acquisition of land must delay neither planning nor building; resultant increases in land values must accrue to the community and not to the private landlord." Then followed the sentence, as in the original resolution, about the difficulties now to be overcome that would have been avoided if the Liberal policy of the taxation and rating of land values had been accepted in the past; the paragraph ending with the declaration that: "If the foregoing is not sufficient, the State must be prepared to take over whatever land is required." These added proposals committed the party to nothing, except that the increased land values "resultant" from public land purchase were to be secured by buying and holding more land that was immediately needed; public land speculation, in fact. On behalf of the Liberal Liberty League, Mr. WILFRED HARRISON, seconded by Mr. WILLIAM REID, moved the abandonment of the new resolution and its replacement by that which the Executive had originally submitted. The proposition was defeated and the new resolution with its wordy ineptness and amazing exclusion of Land Value Rating from the policy of the party was adopted.

An Amendment by the League to a resolution on the Liberty of the Subject, moved by Mr. W. C. WOODROOFE and seconded by Mr. S. MARTIN, to provide a preamble "considering that the sphere of State activity and the powers of public authorities have increased, are increasing

and ought to be diminished" was rejected.

At the tail end of the agenda there was a resolution (of a constituency association) reaffirming the Assembly's adherence to the policy of Free Trade for Britain without regard to the trade policies of other countries. An arrangement had been made with others, who had agreed to drop their Free Trade amendment of the "Full Employment" resolution, that facilities would be assured for discussing this separate Free Trade resolution at the final session. But the words we have italicised were negotiated out of the way, and the resolution being adopted with its punch pulled, appeasers and appeased had it both ways. The seal was set on this comedy by the adoption at the same session of a resolution, frankly protectionist in sentiment, for State aid to agriculture. The wheel revolving on

"long-term contracts for all major farm products" was swung full circle one hundred years back to the Corn Law.

The intellectual floundering of a Party once great and clear of purpose makes melancholy reading, but the maze of verbosity to which the bewildered delegates assented is not the end of the story. Many Liberals not represented at the assembly will not be satisfied until a virile policy of libertarian reform is hammered out on the anvil of discussion and presented to that multitude of liberal-minded, but non-political citizens, who could not possibly guess where the Liberal Party stands amid the confusion which at present afflicts all political parties. Such Liberals can effectively use their influence by joining and supporting the Liberal Liberty League, which accepts the challenge of the recent assembly and intends to seize the oppor-

tunity of the controversy which has been aroused. The secretaries and the hon. treasurer earnestly call for that co-operation. Address of the League is: 4, Great Smith Street, London, S.W.1.

The League has printed and circulated copies of the Manifesto which, in 1935, was issued by the Women's Liberal Federation, with its emphatic declaration in favour of Land Value Taxation as the remedy for unemployment. It is an excellent leaflet for distribution; copies may be had, free, on application.

The annual meeting of the League was held in London on February 2. Officers were elected for the ensuing year, reports were received, and plans made for active work. For initiating the campaign in Scotland, a special meeting will be held in Glasgow on March 16, and Edinburgh, March 17.

## NOTES AND NEWS

A criticism of the recent report of the Manchester Land Values Committee, which appeared in *Land & Liberty*, has been printed in leaflet form and published by the United Committee and the Manchester League. This, with other literature, has been broadcast in a postal campaign and posted to members of the City Councils of Manchester and Salford and of the large towns nearby. The same postage has been addressed to members of the League and a large number of interested people in this area.

Fixtures of the Yorkshire Land Values League during March include the Rotary Clubs at Otley (Mr. Pryce V. Oliver) on the 1st, at Settle on 8th (Mr. Oliver) and Brighouse on 23rd (Mr. F. Bentley); and a Public Meeting in Berwick on March 15 on the Problem of Employment, the Land Question and Free Trade, the speakers being Messrs. Ashley Mitchell, P. V. Oliver, Wilfrid Harrison and A. W. Madsen. February meetings, in addition to those announced, were the Rotary Clubs at Dewsbury (Mr. Mitchell) and Pontefract (Mr. Bentley). So much interest was aroused at the Holmfirth Rotary that members desire a return meeting from Mr. Bentley.

The economic class at the Yorkshire League's Keighley office has finished its course on *Progress and Poverty* and is now engaged on the study of *Protection or Free Trade*.

A member of the English League who "did a lot of lecturing to Army units last year" in a South Coast town and had just arranged for a new course of six lectures a week for January was told that "the whole thing was cancelled for military reasons," though he could not be told what those reasons were. "If I recomence, I may write to you for more leaflets. I distributed nearly all I had last year and several of the men were quite interested." Another League member, who is "on the move" with the Army of Liberation, writes to Mr. Verinder: "The copies of *Land & Liberty* you sent reached me via five different addresses. Only this evening I found an excellent use for one of them. Having injected a few pertinent observations into a little argument that was going on, I realised that I had an interested audience."

A general meeting of the Liverpool Land Values League was held on February 20, at the Free Church Council Rooms, 50, Lord Street. An earnest appeal was made to members to co-operate in the active work, which is so necessary if we are to persuade thinking men and women to tackle social problems from the only sound basis, which is

the land question. The secretary is pleased to receive from members of the League and H.G. School of Social Science names of tutors for study circles, and those willing to address local meetings.

Members of the West Derby Circle, 4 Zig Zag Road, held on first Wednesday in each month, 7 p.m., and conducted by Miss N. McGovern, continue to make steady progress. Although the course is not yet completed, members testify to the great enlightenment derived from the study of *Progress and Poverty*.

Other classes being held are those at 11, Tudor Road, Crosby, each Tuesday evening, conducted by Mr. C. Paton, and at 48, Kingsway, Waterloo, each Wednesday evening, conducted by Mr. E. Stephens.

We are indebted to Mr. E. J. McManus for the list, with names and addresses, of 177 persons who during the last year or so have obtained *Progress and Poverty* from him. This is the result of a personal canvass and every copy has been bought. No greater service could be rendered than this manner of securing new adherents likely to give much help in advancing the movement.

Councillor A. B. Mackay, Glasgow, has been selected as prospective Labour candidate for the Pollak division, at present represented by the Conservative, Com. T. D. Galbraith. A note in the *Glasgow Evening Times*, February 8, announces a lecture Councillor Mackay was giving on "Housing: Land and Finance" to the Glasgow Fabian Society, and says: "He should be on familiar ground, as he is an active member of the Corporation Housing Department, a life-long land reformer, and a retired banker rolled into one. For many years Mr. Mackay has been a warm advocate of the policy which aims at deriving public revenue by a levy—national or local—on land values, while repealing taxation on production and exchange, and relieving houses and other buildings and improvements from local rates."

Press clippings bring useful letters to the Press, including J. Brunton McLennan in *Time and Tide*, G. A. Goodwin in *Prestatun Weekly*, W. H. Simcock in *Tribune*, Chas. H. McGuigan in *Farmers' Journal*, A. H. Weller in *Fleetwood Chronicle*, A. Brown in *Warrington Examiner*, W. Longshaw in *Daily Herald*, V. H. Blundell in *Cavalade*, Joseph Macleod in *Highland News*, "O.S." in *Yorkshire Observer*, and "Tiberius Gracchus" in *Odds and Ends*, an Army journal written by sappers for sappers.

The death of David Catterall on Febru-

ary 8 at the age of 73, resulting from an accident, has deprived the Manchester League of one of its oldest, best informed and most devoted adherents and workers. He was one of the small group of men who founded the League in 1906 and was an active member of the Committee then formed until his death. He was a remarkably well-read man. He diligently searched the writings of British and foreign economists in order to discover defects in Henry George's reasoning that he might have overlooked, but always with the same result: the strengthening of his faith. Though he delighted in debate and courted criticism, his obvious sincerity and modesty won the respect of opponents as well as friends. He would say that it was calm reason that made him a Single Taxer, and would repudiate any suggestion of enthusiasm, but ardent zeal such as his is by others attributed to something softer and more endearing. Mrs. Catterall and her family are assured of the deep and understanding sympathy of her own and her husband's many friends in the movement. (A.H.W.)

## ADDRESSES

At 4 Great Smith Street, London S.W.1. Telephone, Abbey 6665: United Committee for the Taxation of Land Values Ltd., W. R. Lester (Treasurer), A. W. Madsen (Secretary), F. C. R. Douglas (Assistant Secretary); Henry George Foundation (Publishing Department); International Union for Land Value Taxation and Free Trade, Ashley Mitchell (Treasurer); English League, Fredk. Verinder (Secretary); Henry George School of Social Science.

Yorkshire League, C. H. Jones and Percy Roberts (Hon. Secretaries), F. Bentley (Organising Secretary), 129 Skipton Road, Keighley; Manchester League, A. H. Weller (Secretary) The Dingle, Chester Road, Hazel Grove, nr. Manchester; Henry George Freedom League, Wm. Reid (Secretary), 9, Woodside Crescent, Glasgow G3; Welsh League, E. A. Davies (Hon. Sec.) 27 Park Place, Cardiff (Phone 1563) and I. T. Rees (Hon. Organising Sec.) 2 Southey Street, Cardiff; Midland League, John Bush (Pres.); Liverpool League, Miss N. McGovern (Hon. Correspondence Sec.) 74 Osmaston Road, Prenton, Birkenhead; Crosby Henry George Fellowship, C. C. Paton (Hon. Sec.) 11 Tudor Road, Liverpool, 23; Portsmouth League, H. R. Lee (Hon. Sec.) 13 Lawrence Road, Southsea; Derbyshire League, G. Musson (Hon. Sec.) 29 Denby Lane, Codnor; Edinburgh League, A. Davis (Acting Hon. Sec.), 8, Kirkhill Terrace, Edinburgh, 9.