

MAY & JUNE 1973

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## FROM OUR CATALOGUE

*Property Taxes and the Frequency of Urban Renewal* by Mason Gaffney. How the present property tax makes rebuilding unprofitable. Reprinted from the proceedings of the 57th National Tax Conference held at Pittsburgh, Pa. September 1964. 14pp. 5p

*Public Charges Upon Land Values.* A study of the effects of local government rating systems upon the social and economic development of the Australian States. 47pp 5p

*What Kind of a City do we Want?* There is hardly an urban problem today that is not aggravated by the practice of under-taxing land and over-taxing improvements. Reprinted from *Nation's Cities*, April 1967. 31pp. 12p

*Financing Our Urban Needs.* Reprint from *Nation's Cities*, March 1969. A panel of experts examines the financial crisis of US cities, the role of State and Federal Governments and of the cities themselves. Subjects covered include: property taxation and its incidence; improved land values; unimproved land values; governing bodies; subsidies; education costs; land speculation; sources of revenue; user charges. 31pp. 12p

*Municipal Improvement and Finance.* A pictorial and graphic summary of municipal improvements and finance as effected by the un-taxing of improvements and the taxation of land values in various countries. 50pp. 42p

*Municipal Real Estate Taxation as an Instrument for Community Planning.* A reprint of an article which appeared in Dec. 1947 issue of the *Yale Law Journal* and was prepared by Leon Silverman under the direction of the editors. 24pp

24pp

2p

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## International Union for Land - Value Taxation and Free Trade

### INTERNATIONAL CONFERENCE, 1973

Saturday, September 8th to Saturday, September 15th 1973

## Douglas, Isle of Man

The following, with the subjects of their papers, are among those who have so far agreed to address the conference.

**F. L. Othick, MBE, FRICS,** **FRVA,** Secretary of The Land Institute. (UK) **Financing Local Government**

**H. M. Wilks, B.Sc., FRICS,** (Spec. Dipl. Rating), Valuer in charge of the Whitstable Pilot Surveys of 1963 and 1973. (UK) **Implications of the Second Land-Value Survey at Whitstable**

**Planning and Land Values**

**Ray Thomas, BA.** Senior Lecturer in Economics; Acting Director, New Towns Study Unit, The Open University. (UK)

**Ted Gwartney.** City Assessor Hartford, Conn. (USA) **Improving Assessments for the Property Tax**

**P. R. Hudson, DMA.** Ex Local Government Town Planning Administrator. (USA) **Administrative Aspects of Site-Value Rating**

**V. G. Saldji.** Tutor at the ESSRA School of Economic Studies. (UK) **Site-Value Rating Examined**

**Geoffrey W. Esly, MD.** (USA) **Vietnam Land Reform - An American Tragedy of Ignorance**

Among those engaged in varying aspects of land economics, valuation, taxation, etc. also included in the programme are: John M. Kelly (USA); Joseph Zashin (USA); Miss V. G. Peterson-Graham, (Robert Schalkenbach Foundation,) (USA); Robert Clancy, Henry George Institute, (USA); Harry Pollard, (USA). A detailed programme, which will include further names, will be published later.

There is still plenty of room for people wishing to attend the conference. Please write for particulars to The Secretary, 177 Vauxhall Bridge Road, London, S.W.1.

# LAND & LIBERTY

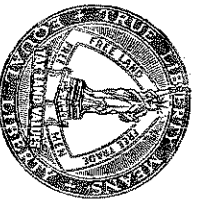
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MAY & JUNE, 1973

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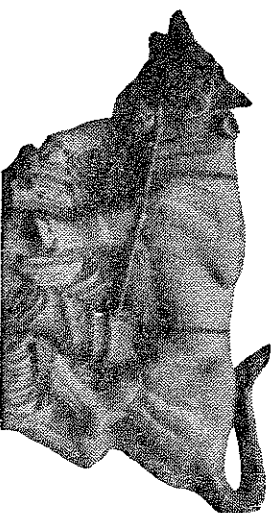
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## Reluctant Reformers

THE LATEST in a long line of legislative attempts to counteract or mitigate the inevitable economic and social effects of our land tenure system is contained in the Government's White Paper *Widening the Choice: The Next Steps in Housing*,\* presented by Mr. Geoffrey Rippon, Secretary of State for the Environment and Mr. Peter Thomas, Secretary of State for Wales, in April.

The White Paper deals with a variety of proposals including "new planning guidelines" for housing, a grudging and apologetic release of certain green belt land, the promise of a nibble at surplus land held by the nationalised industries, and further exhortations and pleas to local authorities to "come forward" with land they hold.

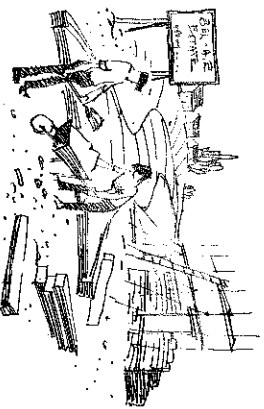
The main proposal and the one that has excited most attention is a land hoarding charge. The charge will be levied for failure to complete development within a specified period from the grant of planning permission. Legislation will prescribe a normal completion period of four years from the grant of outline permission or three years from the grant of full permission where no outline application was made in the first instance.

The charge will be levied on the full market value of the property on the day after which the relevant planning permission is granted or, in the case of land with permission granted before the date of the White Paper, the value on the date of the White Paper. The charge will accrue from the end of the completion period by reference to a fixed percentage of that value for each year's delay, the charge to be levied for the actual year of completion being

\* Cmd. 5280 HMSO 13p.

based on the proportion of that year which has elapsed before completion.

The Government's present intention is that the



charge should be at a rate of 30 per cent for each full year of delay. On this basis, a person who had three years in which to complete development and was allowed no extension of the period would become liable to the charge if, on the first day of the fourth year, the development was incomplete. The amount of the charge would increase day by day until at the end of the fourth year it would be 30 per cent of the value at the beginning of the first year, at the end of the fifth year it would be 60 per cent of that value and so on. Where part of the land is completely developed, the charge would apply only to so much of the site as had not been completely developed.

The charge will not be deductible for tax purposes.

There will be exceptions as follows:

- (1) Cases where the planning permission is for the improvement or conversion of an existing structure, or for the extension of an existing structure involving creation of not more than two dwellings.
- (2) Plots of land for which there is planning permission on the date of the White Paper for the construction of not more than two additional new dwellings.
- (3) Land which is the subject of a mixed permission for housing and some other materially different form of development, if the local planning authority considers that housing is not the predominant form of development.

To prevent evasion the charge will be secured on the property itself. Ordinarily the person chargeable will be the owner or the holder of some other relevant interest in the property such as a long leaseholder. To safeguard the position of owners of land who are opposed to the development of their land, the existing planning law will be amended to provide that the written consent of the owner will in general be necessary before an application for planning permission for housing could be valid. If the owner withholds that consent, the local planning authority will be able to resort to proceedings for compulsory purchase with a view to re-selling the land for development, just as it can now do where an owner is unwilling to sell land which is ripe for development.

Were it not for the fact that some kind of action was forced upon the Government by virtue of the intractable and worsening housing situation, it might be said that it had good intentions. But whatever the view, the basic principles governing land availability and land price have again been ignored.

The less obvious effect of land legislation that involves some form of taxation - whether described as a levy or a charge - is that land-value taxation becomes discredited, for not everyone understands the vital and fundamental distinction between:

- (a) an *ad valorem* tax on all land irrespective of its use or non-use, or of any action that the landowner or developer takes within the limits of planning permission and
- (b) a charge or tax which falls selectively on some land and is dependent upon the action or initiative of landowner or developer.

But what can we say of this new land hoarding charge within the context of its intentions?

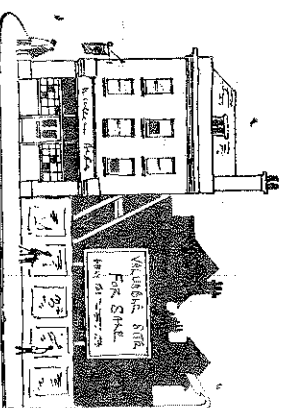
It has precious little virtue to commend it — and that only if the charge is effective in its limited purpose, which seems doubtful.

Our detailed criticisms have been anticipated by able commentators (see below) who have discerned the weaknesses in this half-hearted attempt to come to grips with the land and housing problem.

### ILLUSORY BENEFITS

FRANK OTHICK, *Local Government Review*, March 17

There will be massive loopholes in this land hoarding charge scheme when it is applied, there will be a difficulty in defining those landowners who are to be charged and those who escape, the position of the developers working to a programme will justify special treatment, the small builder and individual plot owner will wring tears from us all. Far better include everyone, large or small, but on a more rational and uniform basis. There is no reason why all undeveloped land should escape local taxation. Community growth and public services materially contribute to increasing values. To syphon some of this off by way of an annual



site rate would be fair and feasible. Valuation would take care of the shades or degrees of readiness for development. The Inland Revenue could cope if it enters



into contracts with valuers in private practice as an emergency. The sooner legislation is produced the sooner will land release be assured. And a very useful annual income (for local government?) collected. Both the land hoarding charge and the help to the ratepayer will be largely illusory but in a budget statement both have the right sound. Part of the trouble with government in these crisis days is that promises made cannot be honoured. They are too often overtaken by events. Equally, solutions to problems are too often made to sound effective but a little later the hopes are dashed and more disillusionment is spread.

#### DRAMATIC GESTURES, MINIMAL EFFECT

FRANCES CAIRNCROSS, *The Observer*, April 15

The Government's housing policy seems to have degenerated into a series of dramatic gestures which will have a minimal effect on the most serious of our housing problems.

The land-hoarding levy, announced in last week's White Paper, will almost certainly fall into the same category of grand and meaningless gestures.

The levy will not catch land which does not yet have outline planning permission. It may encourage some builders to delay getting permission until the last moment. It will not affect the local authorities, whom many property developers regard as sluggish builders.

#### 18,000 ACRES SHORT

DAVID WILCOX, *Evening Standard*, April 9

The policies outlined in the White Paper will be dismissed by some housing experts as largely irrelevant to London's enormous problems on two counts.

First, the key problem in securing more land in London for housing is persuading - or forcing - the outer boroughs to grant planning permission.

Until council permission is granted the question of hoarding or higher densities does not arise, and the outer boroughs just don't want any more homes. The proposed release of 2,000 acres of "tatty" Green Belt will help, but nearer, 20,000 acres are needed to really boost new house building.

#### FULL OF LOOPHOLES

"CHARTERED SURVEYOR" - A Correspondent, *Estates Gazette*, April 21

The effect of the proposals will not only be to encourage speculators to hold on to ripe land without applying for planning permission but many genuine developers will be discouraged from making a plan-

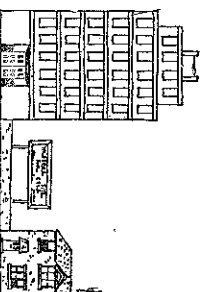
ning application in the fear that development might not be completed within the prescribed period or such longer period as may be permitted.

Mr. Rippon's declared remedy for dealing with the land speculator in these circumstances is the wider use of compulsory purchase powers. As the basis of compensation is market value at the date of entry, speculators will be able to obtain maximum benefit from the increase in value of their land up to the time entry is taken, which may not be for some considerable time. The two main time consuming stages would be the identification of the site as ripe for development, and the making of the Compulsory Purchase Order. The latter stage is already quite lengthy but is likely to become more so as an increasing number of speculators decide to adopt compulsory purchase as the most beneficial method of marketing their land.

There is also a very real possibility that, in withholding land from the market, speculators will increase the amount of compensation above the figure which would have been realised had they sold voluntarily in the open market. This is because the withholding of land would tend to increase the prices realised for the other, marketed land and these "inflated" prices might be accepted by the Lands Tribunal as evidence of the value of the land being compulsorily acquired.

The shortcomings of the White Paper do not end with the grant of planning permission. If the value of a plot of land increases say threefold during the period of three years from the grant of planning permission (rises of this magnitude are now commonplace), the tax of 30 per cent will in effect be only 10 per cent of the value of the land at the end of the three year period. If, at the beginning of the fourth year, the speculator considers that the value will increase by much more than ten per cent during the following twelve months, he will not be persuaded to commence development of his land. As each year passes, and values continue to rise, so the effective rate of tax will diminish.

One minor point is that even if a developer decides



to implement his planning permission, he may still, if it suits him, withhold the completed development from the market.

# WHAT OTHERS ARE SAYING

## **Headmaster Heath**

Harold Lind *Evening Standard*, April 5

**B**UTTER, sugar and bacon price increases are totally self-inflicted wounds which the Government has dealt the country in its quest for good Europeanism. And this blow, it must be remembered, comes from a Government which is constantly lecturing workers about the selfishness of their desire to make a decent wage, and management about the selfishness of their desire to make a decent profit, and goes on to demand from everybody, sacrifices in the common good.

I suspect that a great many people have a deep, though not fully articulated feeling that they are being asked to make sacrifices by a Government which is dragging them willy-nilly along courses which they detest, and this is hardly the way to get the full-hearted agreement which Mr. Heath once used to talk about.

## **Something's Got to Give**

*The Spectator*, March 31

**T**HE GOVERNMENT'S prices and incomes policy may be working, in the narrow sense that no union has yet succeeded in forcing an exception to be made. The country, for the time being, is putting up with the policy. The Government has endeavoured to blame inflation on the trade unions, and it has enjoyed a considerable propaganda success in this field, due to the public's understandable inability to grasp that the chief cause of inflation is the Government which is living well above its income. The way to stop inflation is to increase taxation or to decrease state expenditure, or to do both together. The Government believes that this would be unpopular, so instead it blames the unions and attempts physically to control inflation by its statutory prices and incomes policy. The attempt cannot work in the long run; and in the middle run it produces social inequities and industrial distortions and dislocations.

## **No Value Added**

*Business Systems & Equipment*, March 73

**A**S FOR SET - selective employment tax - now there's a beauty. Designed, as its name implies, to tax people like waiters, say, out of non-productive service jobs into productive factory jobs. What did it do? Restaurants kept on the waiters and passed on the tax to diners. Up went the cost of meals out (and haircuts and shopping and all) so there was less money in the household kitty for consumer goods; so short time at the factory and an extra half million or so production workers out of a job. Classic.

The examples are legion that demonstrate what is axiomatic. Corn laws? Starvation. Poor laws? More starvation. A tax has an effect opposite (though not necessarily equal) to the effect desired.

Tax windows and people will pay to look through them? No they won't; they'll brick them up and sit in the dark. Tax newspaper and you'll raise a few bob on the news? No. Someone will invent the local rag, printed on cloth.

So how about value-added tax? Way back when it was just a theory the idea was to levy the tax on an article at each stage of production so that each stage would be carried out economically. The tax was favoured above others because it ensured the addition of the greatest possible value at the least possible cost.

We haven't heard much of *that* lately. How to pass it on or get it back has been the burden of all the pamphlets, lectures, seminars and communications official and otherwise. Except, of course, for the final payer - the consumer.

If track record is anything to go by the only thing value-added tax will ensure is that value will not be added. That worth will decrease, and steadily, until what's the expression . . . it just isn't worth it.

## **Fools' Road**

*Estates Gazette*, March 17

**I**T HAS taken over half a century of residential control for the full effects to manifest themselves in a deteriorating housing stock, a diminishing investment in rented dwellings, and an inflation of prices in other sectors. As in most market structures, pressures, if exercised in one area, result in bulges appearing elsewhere. The history of office development has telescoped this same process into a decade. Until restrictions were imposed there was no real shortage of office space, but as soon as development control was introduced in 1963 shortages occurred and prices escalated. Now some form of price control to offset the predictable effects of development control seems virtually certain. Perhaps in a few years' time there will be a demand for measures to encourage office building by grants, as in the case of hotel development; alternatively, an inflexible public authority method on the lines of council housing may be substituted. Yet the right solution is surely that which was discarded in the first instance - to allow the market to respond to demand. This method, despite its rejection by successive governments on the grounds of political expediency, is the only feasible long-term solution.

# Farming Morass in the EEC



J. P. PICKERING

"... the price of farm produce is kept artificially high which tempts small farmers to remain in business."

**R**ELASE of the news that the Common Market is selling 200,000 tons of butter to Russia at 8p a pound while the retail price of butter in the European Common Market countries is 44p per pound should surely do something to make people aware that there is something seriously wrong with the farming support situation. Although in Britain the price of butter is only 22p per pound by virtue of the fact that we are not yet full members of the Common Market the writing is now clearly on the wall for all to read.

It is time that one looked seriously at the whole question of farm support both in the EEC and in Britain itself. Immediately prior to the boost given to all industry, including agriculture, with the advent of the last war, both agriculture and industry generally were in a depressed state. Nevertheless fortunes were made even during these depressed years by farmers who were efficient and adventurous, this despite the unending flow of cheap food from abroad. During the war, food was rationed and every step was taken to increase production in this country. After the war, the policy was continued and since that time we have had a series of Agricultural Acts and Annual Price Reviews for agriculture. The result of these moves was that farmers were awarded subsidies, deficiency payments and the like to encourage them to produce more food. These payments were made to the farming community and had the desired effect. By some subtle alchemy the farming community managed to persuade everyone, including themselves, that these subsidies made food cheaper to the community at large. In point of fact at that time we could and did import food from abroad at a price less than we were paying our own farmers - hence the expression deficiency payments. The deficiency which was made up to the farmers was the difference between the price of imported food and the price it was thought that the farming community needed to make it prosperous.

As time went on the farming community managed to change the basis of farm support into a sort of cost-plus system hence the expression recoupment which played such a large part in the Annual Price Review discussions. The recoupment figure was one based upon the increasing capital that an ever more

prosperous agriculture employed in the industry. As the price of land and the value of livestock increased, so the farmers claimed they had more capital involved and that they should be fully recouped for these assets. In other words the more prosperous farming became the greater the financial support it demanded.

During all this time the farming community declared that rather than receive subsidies and deficiency payments they would prefer to be independent of government support and receive their rewards through the market. Now the farming community is beginning to receive its rewards through the market, yet still the bill for farm support is presented to and paid by the taxpayer.

One wonders if the British taxpayer realises that today he is paying three times for his food. First he is paying the ever-growing market price - there is no need to emphasise the rate at which the price of food is increasing today. Secondly, the taxpayer continues to foot a very substantial bill each year to cover farm subsidies, deficiency payments and grants (deficiency payments do fall as the market price of food rises but the cost of subsidies and grants falls only slowly, indeed *some* of these items may well increase like the Hill Farming subsidies), and thirdly, the taxpayer pays by virtue of our contribution to the Common Market, 80 per cent of which goes to all EEC farmers.

This year our contribution to Common Market Funds is not very large but by 1977 we will be paying 20 per cent of the total of which the latest estimate stands at £2,100 million. In theory our contribution by way of *national* farm subsidies, deficiency payments and grants should by 1977 have been phased out, but today the British farm lobby is so strong that it would be naive to believe that this in fact will happen; there are far too many people in Parliament both in the House of Lords and the House of Commons, and indeed in the Cabinet itself, with an interest in land and agriculture. Also one must take into consideration the fact that, if the EEC has its own way, the bill by 1977 will be far in excess of £2,100 million.

The extraordinary position in which agricultural support now finds itself is well exemplified by the fact that in the recent past our Ministry of Agricul-

#### WHO IS PLUCKED FOR THE FEATHER BED?

**M**R. PETER MILLS, Parliamentary Under-Secretary of State for Northern Ireland, said in the House of Commons recently that production grants and price subsidies represented 62 per cent of the net income of farmers in Northern Ireland in 1970-71.

ture was simultaneously operating a Small Farmers Scheme designed to make small agricultural holdings viable and an Amalgamation Scheme whereby small farmers were receiving golden handshakes to amalgamate their holdings to make larger and more profitable holdings. In the Common Market similar action is, as might be expected, even more complicated. Small farmers are being virtually pensioned off, at the expense of the taxpayer and at the same time it is seriously suggested that some agricultural land should be taken out of production altogether. While all this is going on the price of farm produce is kept artificially high which of course tempts small farmers to continue in business.

Because the price of agricultural produce is kept artificially high and because the governments of the Common Market are unable to decide whether they want small farmers to continue in business or want larger more economic holdings, all payments for agricultural produce are made at a flat rate. The result is that large farmers are becoming unnecessarily rich and small farmers are managing to stay in business — all at the expense of the taxpayers.

It is the duty of all governments in Europe to allow market influences to come into play and to let the large and small farmer work out their economic problems at their own expense. If this were done the prices of both farm land and of food would come down.

#### SITE-VALUE TAX

*Local Government Chronicle*, April 13

**S**OME critics see little merit in the land hoarding tax and suggest that the white paper is a political exercise to give a spurious air of government activity. Even so balanced and informed an observer as Frank Othick thinks it will fail to achieve its aim - more houses.

If he and his fellow-doubters are right, the tax may have to be replaced by one based on site values and accruing to local authorities, whose opportunities for housing expansion would be enhanced.

#### LAND PRICES FOR THE RECORD

*Nr. Bristol, Somerset.* A 32½ acre site at Nailsea, just outside the Bristol green belt, was sold to the local authority for nearly £1½ million - about £45,000 an acre.

*Aston, Birmingham.* £220,000 was paid for a 5.9 acre industrial site - about £37,250 an acre. The purchasers plan to build 130,000 sq. ft. of industrial and warehouse space.

*Bolton, Lancashire.* Tesco has bought 6½ acres of land at Horwich, near Bolton, for an out of town shopping centre, for more than £500,000, or more than £80,000 an acre.

*Bristol, Somerset.* A site of just over 1½ acres on the corner of Temple Street and Redcliffe Way, Bristol, has been sold for about £1½ million, (approximately £1 million per acre). There is planning consent for office development.

*London.* A site of 0.85 acres at 51 Putney Hill, London, S.W.15, has been sold for about £173,000, (approximately £200,000 an acre). There is planning consent for twenty eight two-bedroomed flats and a penthouse, giving a site cost per unit of about £5,750.

*Lymington, Hampshire.* Thirty two acres of land at Lower Buckland, zoned for residential development, has been sold for more than £2 million (more than £62,000 an acre).

*Great Yarmouth, Norfolk.* A site just under one acre, with a frontage of 180 feet to Market Place, has been sold for about £½ million for retail development.

*Hungerford, Berkshire.* Nine acres of land at Smitham Bridge has been sold for over £300,000, (more than £33,000 an acre). The site is to be developed at a density of ten houses to the acre, giving a site cost per unit of at least £3,300.

*Huntingdonshire.* Building land (3.27 acres) in the village of Ellington, five miles from Huntingdon, was sold at auction for £100,000, or £30,580 an acre.

*East Ham, London.* An industrial site (6.8 acres) was sold for £780,000 (£114,700 an acre) for residential development.

*Ascot, Berkshire.* Residential building land (12.1 acres) at Coronation Road was sold for more than £800,000 (more than £67,000 an acre). The site has outline planning permission for forty two detached houses, giving a site cost per house of more than £19,000.





# The Progress of Unreason

FRANK DUPUIS

"Welfarism has immense political advantages. It is the best cover-up for basic injustices and it has a built-in defence against criticism."

COULD ANY young person in Britain today imagine a world in which the cost of living was stable or gradually decreasing, one without nationwide and recurring strikes in which wages steadily rose; in which the crime rate had been declining for so long it was not a major problem; in which income tax was 1s. 2d. in the £ and so many lower incomes exempt that PAYE was unknown, and the government was striving for a reform that could reduce all taxes on work and its products; in which currency was so genuine one could take a £5 note to the Bank of England and get golden sovereigns for it; in which inflation referred only to bicycle tyres, and economy meant a saving, and "balance of payment crises," "overheated" and "underheated economies," etc., were unheard of; in which, because industrialists knew there was no hope of obtaining subsidies or privileges at the expense of consumers and taxpayers they applied their energies to efficient production not to political intrigue; in which freedom, the dignity of the individual and the character-forming virtues of self reliance were phrases often used by politicians; and in which to surrender any part of British independence to foreign politicians and experts would have seemed as fantastic as the proposition that by subsidising the destruction of food everybody could be made more prosperous?

Yet, although never mentioned on mass communications, such a world is not a picture of the imagination. In Britain before "the lights went out" in 1914 it existed and some elderly people can recall it. In fact, to judge from the clear words then used in public discussion compared with the hazy metaphors now fashionable, one might contend that, in the realm of thought, that world was more real than our's today. We cannot reverse the clock but by reviving common sense we might get nearer to reality, to those essential conditions within which mankind must live; and surely how mankind must live in order to ascend in the scale of his evolution should be the ultimate purpose of social enquiry. Even a person who considers only his material satisfactions might investigate a period when the cost of living was going down, and the reason why. The not so distant past is often less understood than an earlier period.

Today, due probably to the visible evidence of the results of scientific discovery, there is a disposition to

assume that people are so much cleverer than they were, that nothing is beyond the power of human will, that principles previously respected can be ignored, and that past experience is irrelevant to modern times. But the daily news does not show that the world is happier than it was, and if up-to-the-minute man cannot achieve happiness, there is a case for investigating whether he may not have overlooked some factor which governs others affecting the whole of social life. After all, cleverness and wisdom are different things.

In 1914 reality was more perceptible and belief in freedom more genuine. Unlike the situation in some freedom-professing but protectionist countries British freedom could pass the acid test of trade competition. Not only in Britain herself, but wherever her rule extended trade was open to the whole world. The case for freedom of trade rests on common sense but the spirit it evokes goes far beyond the immediate object. Men can nourish a passion for freedom, a passion arising from the deepest urge of self respect. It breeds a deep-rooted suspicion of compulsion and restriction in any form. Rulers must therefore appeal to reason in order to get their measures accepted, and they must use words everyone can understand. So self-thinking is encouraged, and a disposition to investigate causes, rather than assume that consequences create themselves. People in 1914 could not have been persuaded that poor relief, made universal and re-named welfarism, with its infinite series of compulsions, was the answer to the poverty that existed. Compulsion, whether legal or not, is the negation of reason; and the State was not then regarded as the universal provider, schoolmaster and substitute for personal initiative in thought and action. Poor relief had long been in operation. Among working men there were thousands of mutual benefit associations, and there was large-scale genuine charity; but it was not claimed that all these solved the poverty question. Even when war came compulsory service was not imposed.

That five million men should have volunteered, an example unmatched in history, shows there was general confidence in a society imperfect indeed but based on respect for freedom. Where there is such confidence men can see hope for the future and when they see anomalies they are likely to try to amend their society not destroy it. On such a basic subject as the develop-

ment of sound character there was far less complacency than now.

Since the 1880's at least, there had been growing concern with the spectacle of poverty despite general improvement elsewhere. Poverty was not then concealed by artificial means and there was resistance to tax increases which might have provided politicians with those means. There was some concern with the principles and the purpose of taxation. It was supposed to be the method of supplying public revenue, not supplying expertise to promote "economic growth" or damp down the "overheated economy," mysteries beyond the comprehension of those who had to pay. Also land ownership was not so anonymous as it is today. People could see many honest workers living near the poverty line while non-workers lived in luxury. This seemed unnatural and it stimulated enquiry. Eventually so many ordinary citizens perceived the natural method of taxation that could resolve an unnatural situation, that they became a political force and the party which came into power in 1906 was pledged to introduce the necessary legislation. Although the opposition of landowners delayed the legislation until war broke out, the frenzied nature of that opposition must have confirmed to reformers that they were on the right track.

In the later stages of the war compulsory service was imposed together with restrictions on civilians. In the atmosphere of war, standards of thinking and feeling began to fall; faith in freedom was undermined. Under four years of virtual despotism people began to think they need no longer decide public matters for themselves. Mental democracy, without which democracy is a sham, began to wane.

The survivors returned so embittered that instead of seeking causes they looked only for scapegoats. The "old men," (unspecified), were denounced for causing the war. Pre-war ideas became, without discrimination, out-of-date. In the confusion of thought, or lack of it, the intelligentia, always inclined to undervalue the ordinary person's thoughts and interests, became more influential. The seeds of expert rule were sown. Socialistic ideas, requiring compulsion to operate, began to spread. Without the realisation that it was reactionary, old ideas under new names, though long discarded in the march of progress, were entertained; just as politicians today, struggling with the consequences of the inflation they themselves have caused - an expedient as old as decadent Rome - return to the wage and price fixing common in the Middle Ages. Free trade, the benefits of which when it had been introduced not so very long before were so striking, could not be immediately abandoned; but later, in the early 1930's when the economic blizzard caused a panic perhaps unmatched in modern history, Britain reverted to protectionism and the planned economy; this not-

withstanding that the blizzard had started and was worse in protectionist countries. Mental inertia could hardly go further.

Thus from a generally free society, in which the individual's rights and earnings received consideration, Britain sank to a monopolist or servile society in which "the interests concerned" have preference. With corresponding developments in similar countries some historians have regarded the between-the-wars period as the turning point in Western civilisation.

The quality of a civilisation depends not on technology but on the character of the people; and it is poverty, in the widest sense, which most deeply affects the character of the mass of the people. During that period the search for the cause of poverty was neglected. Beginning gradually but rising in tempo by the end of World War II, welfarism was accepted as the answer.

Welfarism has immense political advantages. It is the best cover-up for basic injustices and it has a built-in defence against criticism. The critic is liable to be denounced by kindly but thoughtless people as callous to human suffering. And in the atmosphere produced by welfarism the rulers are enabled to deal with every difficulty, not by attending to the cause, but by means of taxes, compulsions and restrictions; by subsidies and privileges granted to pressure groups and other sections whose support may be required. And all this is at the expense of everybody's natural right to the value of what he produces. People no longer resist compulsion; they sink into willing servitude of mind and body.

Yet the principle of welfarism is perhaps the crudest ever applied in modern times, although it is the same as that used in the days of "bread and circuses." In a simple society where it would be obvious, such a method could be applied only by naked force.

Nevertheless human nature cannot with impunity be permanently thwarted. There is growing evidence of a feeling that the mere accumulation of material things does not bring happiness. Perhaps this might eventually induce people to investigate social problems by a method now unorthodox: by the method used in science.

This was the method used by Henry George who in a country when it was never so sure of itself foresaw so well that if the ultimate cause of poverty were not removed, civilisation might decay. We can now see, as has been said, "He wrote history in advance."

A writer in the *Times Educational Supplement*, August 1966, reviewing together a socialist book and a new edition of *Progress and Poverty*, says, "It is a relief to turn from the muddled thinking of the former to George's clear, direct and simple expression of a great truth which could be put into practice without violence." It forms "a welcome guide through the maze of present day political expediency."

# CHAOS IN LOCAL GOVERNMENT

Graham Scott

WHILE ENGLAND is pushing ahead with one of the largest local government re-organisations in history - a virtual recasting of patterns established in the nineteenth century - problems of fragmented local control are being considered more earnestly in many parts of America. In the States, however, the complexity of the administrative organisations is far greater than anything encountered in England and so far it has been a mire in which the Federal Government has hardly dared to tread. Local feeling in the States and the smaller communities within them is very parochial and charged with high emotions. Nevertheless, attempts are being made to look at problems in a wider context by bringing together elected officials of the various disparate governments within limited geographical areas.

Kansas City, what most students of urban affairs would call a typical regional city, is now being studied by the Mid-America Regional Council, a representative body, just over a year old, of twenty-three elected members. Within the defined city region which straddles the boundaries of two states, (Kansas and Missouri) there are eight counties and 110 separate cities, plus school, water and sewage districts, forming a community of more than one-and-a-quarter million people. As in many American metropolitan areas, the central city has been losing population fast to the rapidly growing ever-spreading suburbs. Between 1960 and 1970 the central part of Kansas City lost 62,000 people. Although the rate of loss is expected to decline, this loss is expected to more than double by the end of the century. In contrast, other areas within the region will expand at a rapid rate. One of the eight counties is likely to double its population to 250,000, another could triple its present numbers to 103,000 and a third add 175,000 people to make 400,000. Naturally, there is both concern and rivalry as to how the region's growth should be guided. There is plenty of prestige and potential tax revenue at stake as well as considerations of the less tangible issues of functional efficiency and desirable urban shape. In such a context the "home-rule" approach to government in which each authority attempts to maximise its own economic

advantages and hold rigidly to its historical prejudices appears to be singularly inappropriate to today's larger needs. But reform, if any, is likely to be slow.

## A Shaft of Light

Recently, the Kansas City's Temporary Advisory Commission on Housing has recommended, *inter alia*, the introduction of a graded tax plan to increase the amount of tax based on land assessments and decrease the tax on improvements. The suggested target over a ten-year period would result in a ratio shift of land to buildings from the present 1:9 to an encouraging 2:1.

In its deliberations, the Commission admitted that the property tax as now assessed is an entirely inequitable tax that has an adverse effect on housing. In making its proposals the Commission noted that at present, property taxes are increased when improvements are made thus discouraging rehabilitation which is badly needed and that the impact of school district financing which varies throughout the city's area tends to determine where development will or will not take place.

Although it was hoped by some that the Commission would recommend a complete change from a land-plus-improvements tax base to one of land value only, the Commission thought that such a change would cause too much disruption to the tax base and therefore favoured the more gradual approach.

No doubt this decision was influenced to some extent by local politics and it still remains to be seen whether the City Council as a whole will look favourably on the suggested graded tax plan. A promising thrust has been made and the momentum, if sufficient, could lead the city into a new era of tax policies which could be of great significance to the development of the city's whole economy and the rehabilitation and redevelopment of blighted areas.

The Kansas City region has much in its favour at the moment being at the cross-roads in the middle of the USA and offering great scope for investment with excellent new air-cargo handling facilities in addition to rail and inter-state freeway links. It also has a legacy of natural beauty and city pride which is the envy of many ailing urban areas.

If the central city now takes the right path of tax reform and unhesitatingly implements the graded tax plan it will not only set an example for its mid-America neighbours, but also for the whole of the US.

The time could not be better nor the place more appropriate for a demonstration of the consequences of reducing tax burdens on individual effort and enterprise and placing them on the owners of unearned increment who cannot pass them back. This spur could soon be available and the city's vacant land could quickly bloom with needed housing, supporting facilities and job opportunities.

# Land Reform First

PROBHAT ROY

*Probat Roy is an Indian freelance writer who lives in New Delhi. He studied sociology in the United States and served for a few years with the Indian Consulate-General and the Indian Mission to the United Nations in New York. Since his return to India, he has specialized in social, economic and political problems in rural areas.*

"What appears to be a techno-economic social and

**A**FTER years of hibernation, Indian agriculture is on the threshold of an era of plenty. So dramatic is the rate of its progress and the volume of life-giving foodgrains - particularly wheat, and to a much lesser extent, rice - that the planners, agricultural scientists and the farmers-who-matter are exhilarated with the results, though no less baffled by the unexpected problems they face.

Wheat output has been phenomenal - from a meagre 11 million tons in 1960-61, it rose to 23 million in 1970-71 and is likely to touch 26 million tons this year. The key behind the success in productivity lies in the application of new technology.

This new technology, as is known, involved the use of high-yielding varieties of "miracle" seed, fertilizers, pesticides, tractors and other agricultural machines and above all plenty of water.

This phenomenon of buoyancy in production and the transformation of agricultural methods has been affectionately called Green Revolution. But what exactly has this Green Revolution achieved? What is its true nature? How has it affected the lives of millions of poor farmers and the people in general? Here we are on very complex and sensitive grounds. To say the least the Green Revolution has not been an unmixed blessing. Though scientific agriculture solves some pressing and immediate problems it creates a plethora of new ones. This is more so in a continental type country of mass poverty. Sophisticated methods of crop cultivation, alterations of farm techniques, new treatments of water resources are beneficial only to those who can take advantage of them. By its very nature, this clinical approach is restricted to those who are ready for it. But how many are ready? That is why vast masses of rural poor have remained outside the pale of the Green Revolution.

The success of agriculture depends on two primary factors: economically viable units of cultivable land and a proper mix of agricultural inputs, and, above all, water. For India's millions of impoverished farmers, however, this is but a mere dream. Why this is so can be easily understood if one takes a look at the components of its agricultural economy.

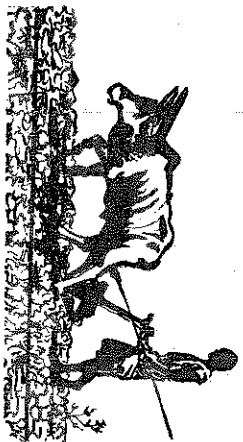
In 1960-61, of the total population of 434 million, 356 million lived in the villages, while 78 million lived

in the urban areas. A national sample survey showed that of the 72 million households, 11.7 per cent owned no land at all and another 32.5 per cent possessed less than one acre. The total of these households accounted for only 1.6 per cent of the total area. Thus, 44.2 per cent of household farmers virtually do not have any land.

On the basis of a few selected indices of holdings, 30 per cent of the rural population may be called marginal farmers. Another 20 per cent may be described as middle peasants. And only about seven per cent represents the rural rich. There are at least 27 million landless families and no one knows exactly how many people are jobless or homeless. All we know is that increasing numbers are swelling the ranks of unemployed or underemployed both in rural and urban areas. During the last decade, no fewer than 30 million have migrated from rural areas to towns and cities.

The difference in the configuration of the cultivable lands held by different segments of farmers has its inevitable effects - inequality of incomes and opportunity. The depth and magnitude of the cleavage can be assessed by the level of life of the rural poor. No less than 40 per cent subsist on an income as low as Rs.18.00 (US \$2.50) or less per month. It is difficult to delineate all the baneful effects of this agonizing development. But, undeniably the contradictions inherent in the agrarian economy have further deepened the social and economic disparities. The resulting hardships and tensions experienced by people in their daily lives, in the villages and shanty-towns, point to a new polarization. Inasmuch as modern technology serves the rich better than the poor, the Green Revolution has added a new dimension to the process of polarization. The greater the inequalities of income and wealth, the wider and deeper the gap between rich and poor.

The dynamics of change furrowing through the Indian agriculture landscape has different consequences for different sections of people. The landed gentry took advantage of their better quality land and cheap labour, and used the available resources to bring benefits to themselves. Through the mechanisms of easy



on is, essentially, a problem of profound  
cal change."

credits, marketable surpluses, price manipulation and political pulls, the rural rich reinforced their social and economic power. The poor farmers and the landless workers, though no longer oppressed by classical feudalism, could not gain new advantages either because of their undeveloped or uneconomic holdings, or because of their starvation wages. For millions of poor farmers there are neither credit facilities nor water. They cannot even take full advantage of price subsidies offered by the Government. Indeed, they are so hard-pressed, that the bulk of their produce is either sold at below cost price or mortgaged even before it is harvested. The odds are too heavy against them. They have little or no surpluses to fall back upon. So, when lean months come or rain fails, they starve and die or are compelled to seek whatever work they can get for a mere pittance.

Forced to live in these deplorable conditions of utter misery and destitution, the poor and the weak have hardly any will or initiative left. And even if they are agile and active, they are constantly pushed down to rock bottom physical existence by the scourges of hunger, disease, illiteracy and the octopus of indebtedness. Moreover, traditional practices, sway of caste or community inhibitions or restrictions and age-old prejudices dull them to such an extent that new ideas can hardly penetrate their armour of resistance. Thus, in the end, they reduce themselves to be mere beasts of burden rather than socially productive human beings. Such are harsh realities surrounding the life of the poor farmers of India.

Collectively, the village life is still - even after decades of capitalist penetration - characterized by a diluted form of semi-feudalistic structure. Few rich families - because of their prized land, caste superiority, education and relative affluence - effectively control all the levers of power, both social and economic. They are the moneylenders, usurers, traders, bankers and government agents. They hold important positions in local institutions financed or controlled by governments. The rich farmer families constitute the kingpin around which the villagers' life and livelihood revolve.

They have recently added a new feather in their cap. They are the political functionaries of the new regime of the Green Revolution. It is against this background that a controversy is raging in the country at the moment, about how to deal with the problems of mass poverty. What kind of change in the farm structure is possible or desirable? How to bring about desirable change?

The discussion centres around the concept of "land reform." It is important in this connection to remember that the slogan of land reform has been raised here for more than twenty years now. Little or nothing has been done to make the slogans a reality. Even when a few State governments enacted legislation doing away with the obvious injustices of tenant farming or sharecropping, the laws have been honoured more in breaches than in their observance. The Tenancy Reforms Acts of Maharashtra and Bihar, for example, have not been able to protect tenant farmers from land eviction. Likewise, the Land Acquisition Act of West Bengal of the middle 1950s has yet to be fully implemented. Thus, the momentum of agricultural development and the simultaneous retardations of it have produced a disturbing fall-out, which in turn provoked a situation of social and economic tension. It is for this reason, more than anything else, that the issue of land reform has acquired a new importance and urgency.

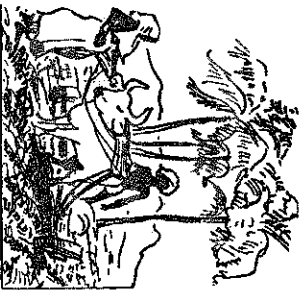
But the restructuring of land ownership and the equitable distributions of land are no easy tasks. It is like striking a hornet's nest. Those who have once tasted prosperity are not amenable to reason or persuasion. So strong is their resistance to any measure for reform that the well-to-do farmers in Maharashtra, Madhya Pradesh and elsewhere have resorted to large-scale hurried transfer of their property to relatives, friends and even to household servants. To circumvent proposed legislation on land-ceilings, the rich families have even resorted to frequent "divorces" recently. No wonder the laws-to-be-enacted or those which are already on the statute books are so full of holes that it seems likely that very little "surplus" would be available for distribution among the landless.

The Government seems to be caught in the dilemma of compulsion to change and opposition to change - so powerfully mounted by the landlords' lobby. The root of the problem, of course, is the right to private property. Thus, it is a political question of momentous implications. What appears to be a technological question is, essentially, a problem of profound social and political change.

The Green Revolution, besides benefiting a few, has indeed served a social and cultural purpose. It has made many poor people aware of the potentiality of change. They see material changes around them, even though they toil just as their fathers and grandfathers had done before. Real or abiding benefits of develop-



ment still elude them. They remain hewers of wood and drawers of water just as before. Yet they are conscious that this need not be their lot any more. In the



small world of their villages, they see the rural rich enjoying a good life. Only a few years ago, they remember, the rich farmers were not so better off. But the standards of life that separate them now are far too great.

Prosperity in a Punjab village is to be seen to be believed. Gone are the days of mudhuts and dusty roads. Prosperity now means brand new whitewashed houses of brick and cement; roads paved; children clothed and healthy looking. Inside the homes, *chairs* of yesteryears have been replaced by modern beds; sofas and furniture sparkle with glossy finish. Doors and windows show good grains of teak wood and are screened to keep flies and insects out. The style of living has changed too. Prosperous farmers no longer sit on the floor to eat - they have dining tables with colourful place-mats, all nice and clean. For comfort, they proudly own refrigerators, electric fans and even record players. Today's rich farmers greet visitors with coffee, cookies and other goodies of life. One is amazed to see a pretty wife acting as a gracious hostess just like her city-bred sister. Outdoors, prosperity is in the garage where they park their tractors, tillers and even harvester-combines. Cows are nowhere to be seen in the village - but far at a distance - in the grazing ground. At night, the whole village is electrified - so stark in contrast with the darkness that prevailed before. People gather together to enjoy themselves - with song and dance enhanced with imported liquor.

The change in the village climate is obvious. It is not as if the poor did not partake of any of the joys and pleasures of life bestowed by the Green Revolution. But his feeling of satisfaction is fleeting and ethereal. Socially and culturally, the poor and the weak remain isolated from the dominant village milieu. They do not and cannot feel to be part and parcel of prosperity. Conversely, in the midst of prosperity they feel aggrieved, cheated and deprived. And that is not difficult to understand. They live on the fringes of the villages - down by the riverside. They have little or no work for the greater part of the year. With what little they produce or earn, there is skimpy food to eat and no clean water to drink. They have no money to buy

bullocks, plough or fertilizers. The commodities and services they need so desperately are simply unavailable to them. The "first fruits" of the Green Revolution are still out of their reach.

It is this dichotomy between growing riches and dehumanizing poverty that calls for a drastic remedy. After years of stupor and resignation, the poor seem to be stirring up. They are demanding their first freedoms, from want and insecurity. "Land to the Poor," "Land to the Landless" are the rallying cry now. In fact, forcible occupation of land by the dispossessed and disinherited has occurred in some States like West Bengal, Bihar, Andhra Pradesh and even in relatively prosperous Punjab. In West Bengal, the land-grab movement reached such an intensity as to threaten the fabric of social and political stability. In the hilly and far-flung tribal areas, the people are demanding not only land but also the basic guarantees of food, jobs, clothing and shelter.

Lack of diversification of economic activity in the villages has also slowed down the process of agricultural regeneration. Hence, there are only islands or oases of prosperity in a sea of rural stagnation. A massive programme of rural works would have been a boon for the rural poor. Nothing of the kind has yet been seriously attempted. While a semblance of rudimentary infrastructure is there, in some parts of a few states, it has failed to provide the necessary spurt to sustain economic activities on any wide scale. Dairying, piggery or chicken farming are too few. Afforestation, reclamation of land, desalinization of water-logged areas, development of dry areas to improve the ecology of the country are still notional.

It is true that with the spread of education and skills, the younger folk in the villages are taking increasingly to semi-agricultural or non-agricultural vocations. Transportation, storage, distribution, maintenance of agricultural machines, and the like are becoming lucrative business. But all these activities do not add up to much yet, for the simple reason that the bulk of the rural population remains in a depressed state almost perpetually.

There has been, of course, no dearth of plans or schemes to relieve the acute sufferings of the rural poor. In the 1950s, Block Development Schemes were drawn up. In the 1960s, the Maharashtra government, for example, blueprinted the Small and Marginal Farmers' Schemes. There are also the Integrated Area Development Schemes. Most of these plans, regardless of their meagre success, have flopped. The reason why is also the answer to why extreme social and economic inequality cannot be eliminated merely by "plans" or "schemes." A mechanical or a technological approach *per se* are simply not conducive enough to rooting out the evils of centuries-old tyranny of man by man. To

attain a basic minimum standard of living for the vast majority of the rural population, what is needed is a dedicated endeavour of social engineering. This is not to deny the importance or the remarkable impact of science and technology on agriculture. But technology, to be effective and responsive to the social good, must consider the human condition first. An agricultural technology, though an important factor of change, is neither unlimited in scope nor in results. In fact, the agrarian structure, being what it is, impedes the uninterrupted and widespread adoption of technology. Human ingenuity and endeavour on a mass scale can open up a horizon of boundless creativity. It is capable of producing a world - not only of abundance but also of happiness and joy for all. After all, the Green Revolution - or any revolution - would be meaningless if it did not or could not change the human rela-

tionship from one of exploitation to that of honourable partnership and dignity for all mankind.

Thus, in the light of the experience gained so far, the Green Revolution - whatever its limited achievements - is running against a grave social malaise. In a sense, the Green Revolution both dramatizes and accentuates the inherent weakness of Indian society. A strategy of progress without distributive justice and equity is anachronistic and even absurd. A policy which, by its very nature, serves the affluent and damns the poor can very easily recoil on society. A growth-and-welfare psychology can neither alter the socio-economic structure nor can it harmonize and stabilize society. What is needed is a change in the productive relationship in the economy, not a mere change of methodology. The Green Revolution must give way to a thorough-going Agrarian Revolution.

## Search for Human Rights

P. E. POOLE



THE CONTRAST between natural rights and the positive rights enacted by states in their role as law-makers is one which continues to warrant careful examination, and for two good reasons.

The first is the failure to define adequately the parameters of a natural right, such as "the right to property." The other follows the post-war attempt to obscure natural rights for political expediency.

We can take the second point first, because it is neatly dealt with by Maurice Cranston in his *What are Human Rights?*\* Natural rights are moral ones, and can be characterised by one single defining feature: their universal ascription to all human beings, whatever the time or place. But the international power blocs, in vying with each other in their attempts to formulate "universal" declarations which create the minimum embarrassment for governments, have in the past twenty-five years formulated a new class of rights - social and economic. But these, such as "everyone has the right to paid holidays," clearly lack universal application (not everyone on earth is an employee).

This new class of "rights" is happily embraced by Russia, for instance, which can now sit back and point to how citizens in the Communist bloc enjoy human rights. But any Jew in Russia will affirm that he is denied the natural right to freedom, which historically includes the right to free movement without hindrance at borders.

Cranston is far less satisfactory in the way he deals with his description of particular natural rights. In the

abstract, he is fine: "To assert, as do so many statements of the rights of man, that man has a right to property, is not to assert that everyone has the right in natural law to whatever possessions he is allowed to enjoy by the system of positive law under which he lives. The numerous cases of exiled criminals in South America having their ill-gotten fortunes recognised as legitimate possessions should make us aware of the ambiguity of the word 'property' - an ambiguity which corresponds to that of the word 'rights' with which it is logically connected. Possessions may be rightful in positive law, but not rightful in natural or moral law; although either form of rightfulness will justify the use of the word 'property' in speaking of such possession."

Cranston takes Locke as his main authority on the issue of property. Locke used the most effective plea for justifying a right, by maintaining that it had been earned. If I mixed my labour with the soil, then I'm entitled to claim the fruits of my effort as my own property, which includes my right to alienate that property in the way I see fit.

So far, so good. But how do we justify the claim to property in - rather than simple possession of - huge tracts of unworked land? Cranston states: "Locke does not fail to observe that property relationships become more complex with the introduction of money, and he goes on to suggest that the right to property extends to possessions which are not the fruits of a man's own labour, precisely because men give tacit consent to the introduction of money."

This transformation is clearly awkward to defend. The private appropriation of land before and after

\* The Bodley Head, £2.00.

Locke's *Treatise* was published, was neither tacitly consented to by the expropriated, nor was it a direct result of the introduction of money as a means of exchange.

Cranston seeks to justify Locke's position by pointing to niggardly nature, and holding that a man who gathers food in order to survive is entitled to claim a natural right to that food. He states: "At this level, the right to property can be derived from the right to retain the possessions necessary to survival."

No-one, of course, can quibble with that. But re-member - a natural right to life, and the things necessary for survival, is a universal right if it is to be justified at the moral level. This means that everyone has *equal* entitlement to the things that make life possible. To go a stage further and itemise those things which can now come within the purview of "a right to property" should surely be simple.

Land, above all else, is the key to life, and should head any such list. Locke contents himself with talk about acorns gathered and animals killed. But Locke, as we have seen, was happy to place land in the category of items which could be individually owned: a half-blind eye was turned to the landless, whose right to life became qualified by the magnanimity of landowners.

Locke's attitude is crystallised by Cranston, who points out that while Aquinas suggested that the right to life, being prior to the right to property, allows a starving man to steal to keep himself alive, Locke disagreed and held that it was the duty of the rich man to give the bread to the starving man; the starving man had no right to take what he needed. Who can be happy to place himself at the mercy of the rich in that fashion?

Cranston's attempt at dealing with this is wholly inadequate. He states: "The difference, perhaps, reflects a difference between the medieval and the modern Christian ethos. Attitudes to property are bound to differ from one culture to another, and no expression of a universal right to property can be other than exceedingly abstract."

But it is precisely the universality of the natural right which transcends time and space, and is cross-cultural - not subject to shifts in attitudes from one culture to another. To settle for an exceedingly abstract definition of property plays into the hands of those who, like Locke, find it socially convenient to impose their subjective definitions, despite the historical and anthropological evidence which ought to be the basis of our understanding of natural rights. Using these disciplines we can have no problem in establishing land as being something to which all men have equal right of access, to sustain their lives. Just how this right is institutionally guaranteed becomes the

problem of positive law, which can be adapted to suit prevailing needs; the right, however, is nobody's to juggle with at the expense of others.

## RENTS IN THE FRIDGE

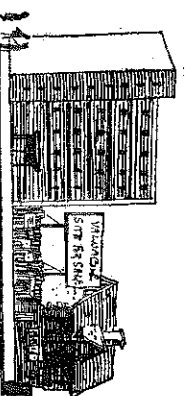
THE GOVERNMENT'S freeze legislation as it affects business rents has produced some astonishing and bizarre effects. The £70,000 rent of a Bourne-mouth business property was cut to £2,400 by a high court judge who said that all he could do was to apply the law to the facts.

The rent of £2,400 was the sum paid by British Home Stores as leaseholders of their recently vacated premises, this rent undoubtedly being fixed very many years ago for the whole period of the lease. The £70,000 rent was the market rent since the new tenants were willing and able to pay this figure. Owing to the freeze order the rent must remain at £2,400 for the new tenants until further notice.

An inn at Stratford-on-Avon for which the owner could not be traced, had been let some time in the distant past for the sum of approximately £27 a year. The last known owner died in 1851 but recent efforts to trace any descendants has failed. The inn has been run by Flowers Brewery since the 1890's and their annual rent has been paid to a firm of solicitors, and now *totals* £4,000. It is thought that the property may revert to the crown in the absence of claimants.

The market value of this site now would of course run into four figures per year, but presumably under the business rents freeze, if the property reverts to the crown, they will be unable to increase the rent until the "unfreeze."

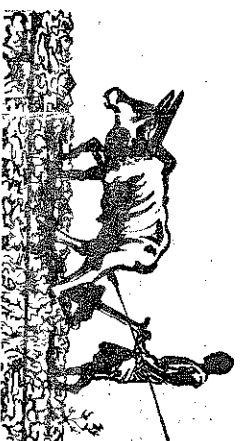
The Bible Lands Society pulled off a good deal when they recently sold their lease of an Oxford Street shop for £250,000. The property carried an annual rent of £10,000 and the Bible Lands Society paid only £3,500 for the lease six years ago. The new price of £250,000 for the lease was based upon the assumption that if re-let it would produce a much higher annual rent and in fact a rent of £55,000 a year was negotiated by the new owners to a firm of men's clothiers. Unfortunately, the



freeze stepped in and instead of paying a rent of £55,000 the new tenants will pay only £10,000 a year, that is of course again until further notice.

# The Worm in the Apple

A. P. LETT



PROFESSOR Dörner in a new Penguin publication\* takes a critical look at most of the land tenure forms commonly encountered, and describes some of their social, economic and political effects on our relationships. He found that where large tracts of land have come to be privately owned, the means was conquest or appropriation, and the consequences thereof for economic development (as opposed to growth) have been stultifying.

Many examples are given to show how in an agrarian or developing society political, social and economic powers accompany possession of land; and how loans, subsidies, grants, mechanisation and legislation favour the landowners and entrepreneurs. Where a "dual system" exists, large and small privately owned areas within a country, the large landowners cream the benefits, monopolise government and foreign loans and grants, and help to create an adverse balance-of-payments situation, whilst the small farmers benefit little if at all.

The land reform which is advocated is the expropriation or confiscation of land from large landowners, and the establishment of family farms, communes, co-operatives or state farms; and there are some illuminating examples in the book to show that where what he calls land reform has been accomplished in a state or country, the consequences have not been in accordance with theoretical economists' predictions. Where previously the large landowners have devoted substantial areas of land to growing crops which enlarge their foreign earnings, such as cotton, coffee, sugar and the like, without regard to the needs of the local population for the most elementary subsistence needs, when the land is re-apportioned, very large numbers of people have found employment through agriculture, crops have changed - becoming more diverse and more productive - and there has been a rise in the standard of living. Here are two examples:-

"Although climatic, cultural and tenure conditions were quite different, the United Arab Republic presents yet another case where increases in output followed land reform rather directly and immediately. Cotton acreage and output fell initially, but these losses

were soon recovered and the rate of output accelerated even though acreage devoted to cotton remained lower. Significantly, the output index of foodstuffs - especially fruits and vegetables - rose faster than that of total agricultural output."

"The man-land ratio on the ex-haciendas of the Bolivian side of Lake Titicaca is more than eight times the ratio on the other side of the lake in Peru. Although the Bolivian haciendas were apparently more densely populated than those in Peru even before the Bolivian reform of 1953, the population of the Bolivian side seems to have further increased by more than fifty per cent during the period 1953-65. Meanwhile the area on the Peruvian side was declared an agrarian reform zone in 1965 with the stipulation that large landowners could retain more land if they paid *campesinos* legal minimum wages. This provision resulted in *campesino* firings and evictions. Despite the much greater population density, the Bolivian peasants produced only 20 per cent less marketable surplus per hectare than their counterparts produced on the more extensive farmed estates in Peru, and their level of living was higher than that of the nearby Peruvian peasants."

Much of the book describes and illustrates the inequalities which arise as a result of a few people owning large areas of land. The final chapter contains a brief summary of the principal observations made in the book, states the author's views on these, and indicates the areas in which reform is needed. The first such need is for a re-appraisal of our attitude to land, "economic activity must be and can be designed to produce education effects.... One gets a different perspective regarding the role of land if it is viewed as a vehicle both for creating economic activities and for upgrading the qualities, skills and capacities of the mass of rural people." Credit and marketing reforms must accompany land reform, there is a need for an effective form of world government, and none of this can be accomplished without widely shared economic and political citizenship on the part of the mass of the common people.

Many widely held and propagated economic theories and beliefs are questioned and challenged in the last chapter, with Professor Dörner dissenting from many

\* *Land Reform and Economic Development*, Peter Dörner, Penguin Education, 50p.

assumptions based on the present power positions.

However, the book has a few serious shortcomings and contradictions. Land tenure systems are held to be important in agrarian or developing societies only. The author does not believe that in a developed industrial society they are of primary importance.

No alternative to dividing the land up into small plots (despite acknowledged differences in fertility, access to markets etc.) and re-allocating it to the local populace is put forward. The tribal and cultural understanding sometimes encountered, that land is inalienable, is not developed.

There is no mention of rent. Labour must be taxed to provide community funds. Professor Dornier does not accept natural law. However concerned and compassionate and studious the volume, it fails to recognise the moral and therefore the only basis for taxation, and offers little but a stay of execution.

On the one hand we have a book by the Director of

the Land Tenure Research Centre at the University of Wisconsin and a member of the FAO Special Committee on Land Reform urging us to divide the globe up into smaller units, while on the other the small farms in the EEC are giving way to that which he would wish to abolish. Despite the many changes which have been made in land tenure systems in this century, in his final chapter Professor Dornier admits, "But the number of poor have increased and inequalities have mounted. There has been considerable economic growth, but, paradoxically, little development. . . . People in power do not, without compelling reasons, initiate action which deprives them of special privileges. The basic dilemma is that a major investment programme in human and material resources creating an opportunity-oriented system reduces the short-run advantages and privileges of the favoured groups, whereas a system built on inequality and privilege is inconsistent with economic development."

## An Odd Mixture

JONATHAN HENDERSON

**A**SSUMPTIONS that the country has provided its citizens with a reasonable standard of living, that we already have an affluent society and that new desires may be freely stimulated in advance of an ability to satisfy them are implicit in Charles Carter's long essay\*. An acceptance of these assumptions paves the way to a less critical consideration of the policy proposed by the author. A rejection of them leaves one with the feeling that the real problem of wealth and its distribution has been side-stepped.

The book contains interesting observations upon the rate of interest and related topics. In his chapter on statistics, the author displays a refreshing humbleness and acceptance of imperfection in economic measurement. Even the chapters bearing the unencouraging headings of "The Economists' View of Wealth and Welfare" and "A Digression on Paper Wealth" have much worthwhile content although perhaps too abstract in parts.

The rot sets in, slowly but surely, during the last three chapters. One finds suggestions of mistaken altruism ("the fixing of a subsistence

level and some conscious thought about the use of the surplus"), of puritanism ("a plan for a marketing tax" - to you, bash the advertisers!), of elitism ("I would like to see economists kept in their place as competent professionals/technicians. . . . Unlicensed economists will never be as easily suppressed as unlicensed dentists").

The author is candid enough to admit that "this is an odd mixture of vague hopes and precise proposals, and it does not add up to a policy," and "the means of bringing it about is not by passing Acts of Parliament, but by getting people to talk about it." He is unfortunately naive enough to ignore the fact that even in "affluent societies" there are substantial numbers of unfortunate paupers who would spoil the whole scene.

### BOOKS RECEIVED

*What Are Human Rights?* by Maurice Cranston. The Bodley Head, £2.00.

*The Earnings Conflict*, by Wilfred Brown. Pelican Library of Business and Management. Paperback 35p. Hardback published in conjunction with Heinemann Educational Books Ltd. at £1.90.

*Wage Regulation in Pre-Industrial England*, edited and introduced

by W. E. Minchington. Harper & Row, New York.

*Incomes Policy and Inflation*, edited by Michael Parking and Michael T. Sumner. Manchester University Press, £3.60.

*Unequal Shares - Wealth in Britain* by A. B. Atkinson. Allen Lane The Penguin Press, £3.00.

*Demand and Supply*, by Ralph Turvey. George Allen & Unwin, 90p paperback, £2.25 hardback.

*Society in Conflict*, by G. Hardy, Reform Publishing Co., Melbourne, Australia.

*The Modern Business Enterprise*, edited by Michael Gilbert. Penguin Education, £1.25.

*Population, Economy and Society in Pre-Industrial England*, by J. D. Chambers. Oxford University Press, 75p paperback, £1.50 hardback. (\$2.95)

*The Indigent Rich*, by J. W. Cumes. Pergamon Press, £3.00. (\$7.50)

*England and the Baltic in the Elizabethan Era*, by Henryk Sins translated by H. C. Stevens. Rowman and Littlefield, New Jersey, USA, \$16.00.

*Compensation for Compulsory Acquisition and Remedies for Planning restrictions together with a Supplemental Report*. Published by Justice, 12 Crane Court, Fleet Street, London, E.C.4., £1.00.

\* *Wealth. An Essay on the Purposes of Economics*, Charles Carter, Pelican Books, 30p.



# The Dangers of Contrived Freedom

TOMMY W. ROGERS

(Sociology Department, Georgia Southern College)

THOSE who value individual freedom should reassess the place of the individual within the legal system as a whole, suggests Bruno Leoni in *Freedom and the Law* \*. It is not a question, he says, of deciding what special "good" legislation we should adopt in preference to "bad" legislation. It is, "a question of deciding whether individual freedom is compatible in principle with the present system centered on and almost completely identified with legislation."

Leoni considers that both Roman and English history teach us a completely different lesson from that of the advocates of inflated legislation in the present age. While many today pay lip service to the Romans and to the British for their legal wisdom, very few realize what this wisdom consisted in, that is, how independent of legislation those systems were in so far as the ordinary life of the people was concerned, and consequently how great the sphere of the individual was in both Rome and England during the very centuries when their respective legal systems were most flourishing and successful.

Both the Romans and the English, Leoni writes, shared the idea that the law is something to be *discovered* more than to be *enacted* and that nobody is so powerful in society, or so righteous, as to identify his own will with the law of the land. Today, both in the Anglo-Saxon countries and in the Continental countries, ordinary legislation and even constitutions and codes are presented not as what the law is as a result of a secular process, but what the law *should* be as the result of a completely new approach and of unprecedented decisions.

Legislation, says Leoni, has come

to resemble a sort of *diktat* that the winning majorities impose upon the minorities. The succumbing minorities in turn adjust themselves to defeat with the hope of eventually winning a majority and being in a position of treating in a similar way the people belonging to the contingent majority of today.

Substituting legislation for the spontaneous application of non-legislated rules of behaviour, Leoni writes, is indefensible unless it is proved that the latter generates some evil that legislation could avoid while maintaining the advantages of the present system.

"This preliminary assessment is simply unthought of by contemporary legislators. On the contrary they seem to think that legislation is always good in itself and that the burden of the proof is upon the people who do not agree."

Leoni's contention is that the implication that a law (even a bad one) is better than nothing should be much more supported by the evidence than it is.

Leoni demonstrates how the current tendency is to identify law exclusively with legislation and written statutes to the neglect of common law, custom, convention, tacit rules and private spontaneous adjustment. He feels it is questionable that legislation should be used merely as a means of subjecting minorities in order to treat them as losers in the field. "It also seems unquestionable that we should reject the legislative process *whenver it is possible for the individuals involved to obtain their group objectives without depending upon the decision of a group and without actually constraining any other people to do what they would never do without constraint.*"

Leoni maintains that blind acceptance of the contemporary legal point of view will lead to gradual

destruction of individual freedom of choice in politics, the market and private life, for the contemporary legal point of view means the increasing substitution of group decisions for individual choices and the progressive substitution of such rigid and coercive procedures as "majority rule" for spontaneous adjustments between individual demands for and supplies of goods and services as well as all kinds of behaviour.

Leoni successively examines the semantic confusions in the words "freedom" and "constraint" and examines the relation of freedom to such concepts as the "rule of law", "equality before the law", and "representative government". He discusses such topics as rent control laws, privileges and immunities granted to labour unions, and the general proliferation of statutory and administrative law.

*Freedom and the Law* grew out of Professor Leoni's lectures at the Fifth Institute on Freedom and Competitive Enterprise at Claremont Men's College. The current edition is sponsored by the Institute for Humane Studies, Inc., Menlo Park, California.

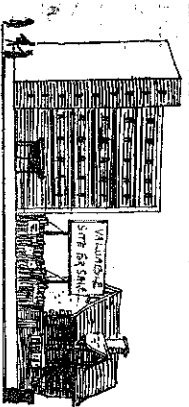
## BRIDGING THE FINANCIAL GAP

THE new London Bridge, to be opened by the Queen on March 16, has taken five years to build at a cost of 5.25 million, the whole of which cost has been borne by the Bridge House Estates Fund of the Corporation of London.

Where does the Fund get its money from? From bequests and gifts of property received by the Trustees over the centuries. Records go back to the twelfth century. The rents from these lands and properties have paid not only for the new London Bridge but for the construction, repair or rebuilding of Tower Bridge and Southwark and Blackfriars bridges as well.

There is a moral here. The more rents received by local or central government, the more expenditure by government at no cost to the taxpayer.

\**Freedom and the Law*, Bruno Leoni, Nash Publishing Co., Los Angeles, \$7.50.



# The Lifeline Cast Aside

PETER HUDSON

CURRENT trends seem to indicate that the United Kingdom is losing the economic battle domestically and internationally. Moreover, there are many who would argue that the standard of living of the individual has declined progressively in recent years if the superficial gloss of gadgetry and social support systems is removed. There is no doubt, for instance, that it is relatively harder now for a working man to purchase a home of his own than it was in the 1930's. Not only are modern houses more expensive relative to income, but they are also of inferior space standards and generally less advantageously situated in relation to the centres of cities and major towns. And as for accommodation for rent - that market is almost dead.

The interesting but infuriating thing about all this is that the facts are known - both to the government and to various interests and pressure groups. The existence of the economic crisis is acknowledged and attempts are being made to do something about it. Unfortunately, when it comes to the economic health of the nation, the quacks have had it their own way for far too long and all attempts to expose them for the frauds that they are have been in vain.

Meanwhile the country staggers on from the effects of incorrectly prescribed medicine applied to illnesses which at best have been only half diagnosed. One would think that after all these years at least one government in power would have seen the relationships between increases in the money supply, escalating land prices, stagnating industry and incessant clamouring for higher wages.

Let's look briefly at one of the major causative factors of the recent crises - land price. Land

prices have been rising rapidly for nearly thirty years and even discounting the effects of inflation they have outstripped every other standard index. The movement has been uneven yet very clearly related to other measurable economic indicators such as incomes, production and deficit spending. Yet the significance of land price in the performance of the economy as a whole has never really been appreciated. Certainly much political music has been made of scandals in profits flowing from land deals and the socialists have twice tried unsuccessfully to nip these in the bud but the problem of land price, particularly in relation to housing costs, has never been singled out for the priority treatment it merits. The effects are felt more harshly by those who are excluded from landlord-subsidised housing, those who do not qualify for local authority housing and those who are seeking to buy a house for the first time.

But more than this, high rents and high land prices coupled with a scarcity of all kinds of accommodation in the right locations are restricting the activities of innovators in every market and those who might otherwise consider expansion. In the process, thousands of jobs are not stimulated where they might be. And when it comes to investment the same problem is apparent. People with money, knowing about the safety and assured returns from investments in land prefer to invest in property and land rather than take greater risks in innovative expansion. The trend is compounded by inflationary tendencies. And it is getting worse all the time. Entry into the EEC will not help in any way at all. In fact there are strong indications that the same disease has already crossed the channel and has a very

firm foothold in most European countries. The problem in Europe appears to be very closely linked with the relationship between the populations of the member nations and the area of land within their boundaries.

Throughout Europe, to a greater or less degree, there is municipal, state and national ownership of land and various agencies and commissions for land acquisition and disposal. There are also many forms of subsidy and aid to promote house improvement and industrial development. But nowhere within the EEC is there a comprehensive proposal for fundamental reform. Hence the need for a legion of land reformers - and knowledgeable ones at that - who will demand that the rent of land provide each country with a self-generating development fund to finance airports, harbours, roads, railways, sewage treatment, water supply projects and the rehabilitation of the slums and ghettos of nine capitals and hundreds of cities. The private sector must provide the homes, the shops and the factories without generating values that go into private pockets. It needs cheap land and it needs a taxation system which is simple and efficient. Above all it needs a taxation system which makes land cheaper to buy and dearer to hold - a tax which cannot be passed on in higher prices for goods and services. In short it needs land-value taxation more now than ever before.

Land reform in developed countries is far from being a dead duck. Its advocates need to press hard and quack louder - louder in fact than the economic quacks who so far have failed to even identify the nature of the disease which soon could have the whole of Europe in a strangulation grip.

IT'S TONGUE in cheek week, folks, with a few cases of what's good for me isn't good for you.

We start with a soft shoe shuffle from the British Footwear Manufacturers Association, which has been lobbying MPs recently. The shoe makers are upset about the dastardly tactics of Third World countries which, as members of UNCTAD, were able to get 14 million pairs of shoes into the UK in 1972 - duty free. These countries may be economically under-developed, but it seems that the Federation is able to single out certain of them as having developed shoe industries. Which means that they aren't wielding their primitive tools in grass huts.

And the British shoe manufacturers don't like the competition. It's quite unfair, don't you see, old boy? The UK shoe makers want the EEC system operated, under which a quota system imposes ceilings on duty-free imports. But when it comes to exporting shoes to Japan, it seems that the proverbial shoe is on the other foot. The shoe makers want the Government to persuade the inscrutable Japanese to remove their quota barrier on UK shoes!

\* \* \* \* \*

EEC farm ministers acted to prevent their unscrupulous sugar producers from making "speculative profits" by exporting on to the world market via the UK. It's not that EEC producers couldn't grow enough for domestic needs; we don't know what the current stockpile is yet, but *Agricultural Minister Joseph Godeber* forecasts a surplus of 1.2m tons from the forthcoming crop. It's just that if they don't want it, the others still can't have it.

\* \* \* \* \*

LAND VALUES slump when a government department builds a motorway at the bottom of the garden or an airport in the neighbouring field.

Cars zoom by day and night, planes roar overhead, and you have to lump it and like it. The nuisance created by the use of these public facilities is something for which the user does not pay and for which the

## Thin end of the wedge

— BY FRED  
HARRISON

sufferer receives no compensation. Justice, the British Section of the International Commission of Jurists, has published its proposals on how to deal with the problem. They make curious reading.

Justice wants "a greater justice" than the *ad hoc* measures which make compensation possible to those whose land values are depreciated (e.g., British Airport Authority payments to protect houses from noise and vibration under the Airports Authority Act 1965).

States their report: "We believe it to be a sad commentary on the present law that an owner of land in an area through which a motorway is to be constructed should prefer that the motorway takes the whole of his property rather than go near to it."

Compensation, therefore, should not be limited to damage arising from the construction of the works, but should include damage caused by their subsequent use.

The report recommends a statutory listing of public works and activities as actionable nuisances which attract compensation. The list would include "highways, airports, railways and hovertracks, sewage works, power stations, penal institutions and possibly institutions for people of unsound mind."

*A Second*

*Column*

BUT NOWHERE in the report do we find the suggestion that landowners should pay the comm-

unity for the rise in land values which result from public expenditure.

If my country cottage was next to a motorway, I wouldn't be able to sell it; but I would watch with envy as my neighbours' land values rose rapidly, now that they were able to tap a new market at the end of the motorway.

Thanks to the sewage works, main drainage makes the farmer's land convertible from cow grazing to high-density house building.

The airport forces me to live with the roar of jumbo jets, but it brings



with it a fabulous growth in land prices as new homes, industrial sites and service sector companies spring up in the area.

Nowhere in their report do the august members of Justice suggest that justice to the wider community would be served by compensation from the individual landowner who has benefited from the expenditure of money raised out of taxes on the pay-packets of the miner or farm worker or dustman.

But then, it seems to me that the people who drafted and endorsed the proposals are not interested in justice (which implies a responsibility to take everyone into account), only in putting a little more money in the hands of landowners. For they fail to recommend a system of cost-benefit analysis which, if one were instituted, would indeed produce uncomfortable results.

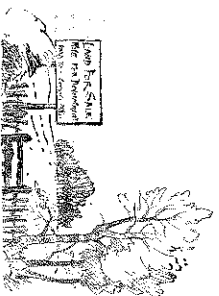
Compensation, yes. But let's not limit it to a handful of allegedly aggrieved people.

\* \* \* \* \*

*Amin's Africanisation programme is working splendidly: ten hospitals are now reported closed down following the departure of the Asians. But while the peasant suffers, breathe freely - it's reliably believed that the President's own medical needs are not being neglected.*

\* \* \* \* \*

# LAND PRICES



## LAND PRICES MATCH PROGRESS

**A FEW FACTS** about land prices in Japan, from an article in the *Christian Science Monitor*.

- \* Between 1957 and 1972 in the major cities of Tokyo, Yokohama, Nagoya, Kyoto, Osaka, Kobe, the value of commercial land rose eleven times, residential land twenty-two times and industrial land twenty-three times.
- \* In twenty years land prices in suburban Tokyo have risen from 10 cents a square foot to \$40.
- \* A luxury home in the suburb of a large city would cost \$100,000 to build - but the site on which to build it would cost \$400,000, (equivalent to \$1,800,000 or £720,000 an acre).
- Why these sky high land prices? 48 per cent of the population lives on 1.2 per cent of the land area of Japan, and since 1960 Japan's GNP has increased on average by ten per cent a year.

## STAGGERED AND SHOCKED

**HOUSING** land in East Ham has fetched a record price of £780,000 at auction for just less than seven acres. At present there is no planning permission for houses and a factory stands on the site.

The East of London Family Housing Association, Newham Council and the Greater London Council are providing the finance for the land purchase.

Early next year the three organisations hope to start work on building 260 houses in the first phase of development.

The bumper £111,000 an acre or so paid shocked the private bidders. The last one to drop out of the bidding was the Fairview Estates housing and property group. Auctioneers Chamberlain and Willows commented: "We are staggered by the sale, and the price paid."

It is evident that the occupiers of these houses will have to be heavily subsidised to meet the land cost alone.

## BEST HARVEST YET

**A HUMBLE** farmer, Mr. Christopher Brooker, who for twenty-seven years made a bare living, is now a millionaire three times over - or will be very shortly. A property company has paid £3,000,000 for his land, thirty-eight acres of which is zoned for development by the planning authorities. The land is near Haywards Heath. So far, Mr. Brooker, the farmer, has received a deposit, and final payment will be made when the actual planning permission is given. An application to build 300 houses has already gone to the planning authority but this will provide little consolation for home seekers in the lower and medium income brackets. The houses are likely to cost upwards of £27,000 each.

## MAGIC WAND OF PLANNING PERMISSION

**A PROPERTY** development company has agreed to sell thirty-two acres of land to Basilston urban council for the nominal sum of £10 in return for planning permission on twelve acres of adjoining land, reports the *Daily Telegraph*, April 5. The deal has saved the council £500,000.

The land will be used for recreational purposes. The area of land, in Billericay, was the subject of a planning appeal last year when the urban council opposed plans for residential development on the grounds that it would be too near sewage works.

The development company, Morrell-Ixworth, of Bromley, Kent, on losing the appeal, said it was prepared to develop part of the land and, if planning permission was given, would give thirty-two acres to the urban council.

A spokesman for the council said: "A sum of money had to go on the conveyance, so £10 was the agreed figure. Land in this area sells for up to £70,000 an acre.

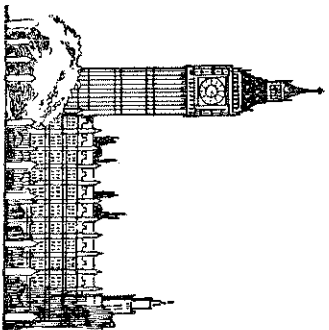
"We are desperately short of recreation land in Billericay. To have bought land for this purpose at current prices would have been prohibitive."

This transaction, whatever its merits, would appear to throw some doubt on the validity of the planners' initial (and subsequently confirmed) refusal of planning permission to develop.

\* \* \* \* \*

## BUILDER'S LAND ASSETS TEN TIMES THOSE OF ITS OTHER ASSETS

**DEBLEN** Holdings Limited, according to a press release issued by their publicity agents, has a "land bank" worth about £10m. with commercial and industrial assets of over £1m.



## Justification

**M**R. JAY asked the Minister of Agriculture, Fisheries and Food whether he will give an assurance that the Intervention Board will in no circumstances render food unfit for human consumption.

The Minister of State for Agriculture, Fisheries and Food (Mr. Anthony Stodart): No, Sir.

**Mr. Jay:** If the Government cannot give that assurance, how can they pretend that they are not responsible for rising food prices, when they are deliberately setting up an Intervention Board whose sole purpose is to keep prices up by taking supplies off the market?

**Mr. Stodart:** There is absolutely nothing new in rendering food unfit for human consumption. The Labour Government did it nearly every year.

## What a Hope!

**M**R. Anthony Stodart, the Minister of State for Agriculture Fisheries and Food, said in the House of Commons, February 27, that the Bacon Curing Industry Stabilisation Scheme provides for the continuation of assistance to the bacon curing industry.

The stabilisation arrangements were introduced in 1967. It was hoped that, under the arrangements, payments to cures and levies upon them would, over a period, be self-balancing, with the industry receiving Exchequer support when it was making losses but paying levies back to the Exchequer when it was working at a profit. Under successive arrangements arrived at, £43 million was spent up to 1970-71, including nearly £22 million in that year. In

return, levies of only £57,000 were received. Since 1970-71 expenditure was estimated at £11.3 million for the present financial year, and during it a further £375,000 was collected in levies. There is little prospect of more of the total expenditure being offset by further levies. Something in excess of £77 million will have been spent on this aid over about 6½ years.

# Miscellany

## IRISH POTATO FAMINE 1973

**F**REE TRADERS in potatoes are operating on the Irish border, but they are usually referred to with the less flattering title of smugglers. They are seeking unofficially to provide the Irish in the South with cheaper potatoes. There is a shortage due to labour difficulties and other factors which have forced the price up, and in the North, Ministry of Agriculture inspectors are keeping a close watch on several ports. Potatoes bought in Scotland for £15 to £18 a ton can be sold in the South for up to £53 a ton.

## TWO-PRONGED EVIL

**T**WO out of three spoonfuls of sugar come from Commonwealth countries such as Barbados and Mauritius. Says a leaflet issued by the World Development Movement, "These poor countries have a guaranteed market and price for their cane sugar exports, and the British housewife can rely on plenty of sugar at a reasonable price in the shops, under the Commonwealth Sugar Agreement.

"But the original six Common Market countries import hardly any cane sugar from poor countries. They pay high subsidies to their farmers to overproduce expensive beet sugar. More than £90 million of taxpayers' money was given away to Common Market farmers in 1970, and sugar costs more in the shops."

Apparently some European farm-

## Nuts!

**M**R. Michael Cocks asked the Minister of Agriculture, Fisheries and Food if he is satisfied that there is an adequate supply of nuts available to meet the expected demand.

**Mrs. Fenner:** I am not aware of any supply difficulties.

ers want to grow even more sugar beet and to keep out sugar from the poorer Commonwealth countries.

The leaflet makes its plea on behalf of these countries pointing out that in Barbados for example one in every five workers are employed in the sugar industry, and that the unemployment rate is 12 per cent, and that in Mauritius two in five get employment from sugar.

It is of course wicked folly to produce grossly uneconomic sugar from home-grown sugar beet, not only because it hits at countries like Mauritius and Barbados, but because it fattens European producers at the expense of European consumers.

## ELEMENTARY ECONOMICS

**T**HE managing director of Bovis Homes Projects Ltd., Mr. A. C. Vincent, referring to his company's development of executive houses on the Isle of Dogs said: "It is not Kew Gardens. But it is an exciting view of docks and cranes, warehouses and tug boats and ships going up and down . . . But we feel that any site within four miles of the centre of London and with a river view must be a winner."

## EEC PAPER CHASE

**T**HE number of documents passing through the Vote Office of the House of Commons in a year is about 1,750,000. This year the number is expected to be 3 million. The reason? The extra documents are all consequent upon our entry to the EEC.



