

# LAND & LIBERTY

SEPTEMBER & OCTOBER, 1975



*New York's Fiscal  
Troubles*

*People's Rights and  
State Wrongs*

*The Voice of Richard  
Calden*

*Land Issues in the U.S.*

*Liberty Calls Again*

*Local Income Tax  
No Answer*

*Peters*

## "Land Reform" Blight

THE Community Land Bill continues to drag its weary course through the Committee Stage with amendments, re-draftings, compromises, concessions, patching and all the superficial tarring up processes which such ill-conceived legislation invites.

As was to be expected, the effect of this legislation has already been anticipated. Where the Bill is ambiguous, indefinite and obscure no chances are being taken — the worst is assumed. Few new devel-

opments are being started and development-land transactions are virtually at a standstill.

Hardly anyone has a good word to say for this Bill, and those that have, confine their remarks to platitudes and clichés which reveal how completely out of touch they are with realities.

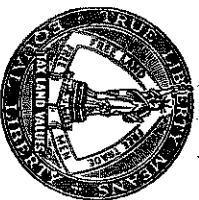
It is not necessary to repeat here the well-reasoned and unanswered objections that have come from all quarters—by no means confined to those with a

pecuniary interest in land. But it is of interest to note the conversion, if that is the word, of almost all the Bill's critics, to the idea that "some part of the community created land values should be returned to the community." Hardly a writer on the subject fails to genuflect before this concept for fear he may be condemned as a reactionary. If acceptance of this idea came from conviction, one might expect some supporting arguments, but with a few notable

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exceptions no attempt has been made by political commentators to analyse this concept or to examine the philosophical and economic implications of it.

The general attitude is: "if you cannot beat them—join them", a placid acceptance that "we are all socialists now."

But what exactly is this principle that *some part of the increase in land value belongs to the community*? It either all belongs to the community or it does not. And if it does, then so do past increases in land value now part of the current rent of land. And why only the *increases in land value*? Land has been increasing in value ever since it was first worth taking into private possession. There are of course exceptions where land has decreased in value or where its value has even been obliterated but this has certainly not been the general tendency.

If land is regarded as the rightful property of the freeholder, then it should be "hands off" as it should be with all other types of property. If not and land is regarded as the natural and inalienable inheritance of the people, then all landholders of all land irrespective of use or non-use and irrespective of its state of development, should pay the rest of the community for their privilege of exclusive possession. And of course they should also share in the rent of all land by way of reduced taxation on the proceeds of their productive efforts.

Few people are landowners and nothing else. Many are entrepreneurs, capitalists, productive workers, etc. and suffer economic and personal frustration from the inequities of current taxation which is bleeding industry where it is not killing it and crushing the incentive and initiative of all members of the community.

Land-value taxation distinctly encourages industry for it is not a penalty upon production. You could tax away the whole of the rent of land without it affecting adversely any sector of production. And what does this ill-conceived and mischievous Community (Political) Land Bill do to encourage land use and industry generally? Worse than nothing. It is a prescription for general stagnation.

## *New York's Troubles— and Some Remedies*

LET New York City go bankrupt and make it impossible for it in future to borrow any money and force it to live within its means is Milton Friedman's recipe for New York City's present phenomenal cash deficit.

John Kenneth Galbraith, who was also consulted, (*New York Times*, July 30) took the opposite view: "... no problem associated with New York City could not be solved by providing more money." He was outraged that wealthy people could escape their fair share of taxation by moving to the suburbs which he described as "fiscal funkholes". He did not suggest concentrating taxes on land values, although as an economist he must know, as a fellow American economist once put it, that "Land is the only thing that cannot get up and walk away when taxed."

Robert C. Wood, president of the University of Massachusetts, also argued for an infusion of money to save New York City.

But he also said: "We have to seriously go back to Henry George . . . . If in urban renewal, we had leased land instead of selling it to private developers, most of the cities, including New York, would be better off."

Another contributor to the discussion, Jane Jacobs, author of *The Economy of Cities* said New York City should "take the lid off transportation." Any safe driver should be allowed to run any kind of transportation he wanted to, at any time and to any place.

The inclusion of balanced budgets, free trade in transportation and the ideas of Henry George in a pooling of ideas by eighteen urban experts gives hope that all is not lost on the economic front.

\* \* \*

**COMMENTING** on New York City's financial crisis, Philip Finkelstein, Director of the Centre for Local Tax Research, says (*New York Times*, August 17) that it is time to tell the truth about the city's most fundamental source of revenue - and its only measure of

debt capacity - its real property tax base.

For a long time it appears that the city depended upon the construction boom in Manhattan to finance its budget. As constructions went up so did the local tax bill, and the City was soaking the owners of new office blocks and all owners who improved their properties. Now, says Philip Finkelstein, the well has run dry and the load has been shifted to existing properties.

The fact is that the city has

## *Damnwatch in the South-East*

P. CLAVELL BLOUNT

(*Chairman, Anti-fluoridation Campaign*)

**ACCORDING** to the Department of Health circular number R. 487, the purpose of the computer records now being built up is "the mental and moral improvement of coming generations" and this implies a culling, by one means or another, of the "human herd". What exactly is meant by the words just quoted? Who decides who is to be culled out? Who decides which of us is fit to remain and/or to procreate? Who determines acceptable standards?

The use of computers to store health records is an innovation the implications of which are almost certainly not appreciated by the vast majority of doctors—which applies equally to the practice of using public water supplies for conveying into people's bodies substances which have been added at the water works for the purpose of influencing the development or functioning of the human body, nervous system and mind.

Whatever assurances may be given by officials in central or local government, there can be no effective protection of confidential medical data once it gets on to a computer tape. Any expert can crack any code system set up to

never been properly assessed, says Mr. Finkelstein. Market values for assessment come into play only when a new building is constructed, a new owner takes over or there is a major renovation.

"The scandalous administration of assessments has led to the milking of poor properties by owners and the milking of good ones by the public treasury. Vacant, underutilized, never-improved parcels enjoy the benefits of assessments bearing no relation to market value. Top-quality improvements carry the load. As long as there were enough of the latter, the former could be blithely dismissed. Where values in the past rose only in Manhattan, and the rest of the city crept along, the opposite now seems to be the case."

deter misuse. "Leaks" of so-called confidential information are proverbial today.

Dr. D. Wild, M.B., Area Medical Officer, West Sussex Area Health Authority, who has done his best to proof the computers in West Sussex against abuse, admits that an expert could crack his system, says Dr. Edward C. Hamlyn, M.B., Ch.B., Medical Adviser to the House of Commons All-Party Committee on Freedom of Information. When the system spreads beyond Dr. Wild's control—as it undoubtedly will, sooner or later—abuse will be inevitable.

Dr. Hamlyn alleges that when he took the matter up with Dr. Wild, the latter shrugged-off the danger saying that "we shall soon be a totalitarian state—what does it matter?"

Dr. David Owen, M.P., Minister of State (Health), admits that the computer in West Sussex is not even housed on Health Authority premises. He admits that anyone who gained access to the key number of an individual, could obtain that individual information about that individual from the medical records on a visual display unit.

according to Dr. Hamlyn.

As stated above—the declared purpose of computerised record keeping is the “mental and moral improvement of coming generations”—a truly frightening idea if implemented along the lines suggested by anonymous officials whose mental and moral standards are entirely unknown.

“Mental and moral improvement” is a euphemism for eugenic engineering; it has other names—racial hygiene, for example—and is of evil repute. It means the ultimate elimination by the State of those regarded as being undesirable probably by means of sterilisation or in other ways.

*“If the parents of West Sussex knew what was in store for their children as a result of computer-*

*ised record keeping, they would take immediate action to bring it to an end,” says Dr. Hamlyn.*

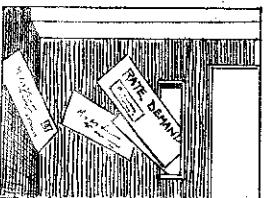
We have fought two wars to protect this country from the very thing that is now happening by stealth in the quiet countryside of our “green and pleasant land.” The proposed Freedom of Information Act is, in our view, a most suitable rallying point for those who are both awake and willing to play an active part in combating those unseen forces who, for whatever reason, are seeking to destroy our nation in a new kind of warfare the existence of which has been recognised by only “the few” who, as always, lead in man’s continuing fight for freedom.

I have been asked—“Of what concern is all this freedom of in-

## Consequences of a Rates Switch to Local Income Tax

### SUPPLEMENTARY MEMORANDUM TO THE COMMITTEE OF ENQUIRY INTO LOCAL GOVERNMENT FINANCE

By T. N. Ende



ACCORDING to a report in *The Times* dated 13 August 1975, the body which describes itself as the National Union of Ratepayers' Associations has written to the Committee of Inquiry by way of supplementary evidence “reflecting” the contention of the Inland Revenue that replacement of the local rates by local income tax could not be administratively or technically feasible.

First, I think it should be pointed out that this body's membership consists in occupiers between late middle age and old age of residential property only, and it does not represent industrial, commercial, or professional occupiers.

In a letter to me dated 30 April last, the Chairman of the National Union of Ratepayers' Associations said:

“Quite naturally, a majority of members of Ratepayers' and Residents' Associations, particularly in the older parts of towns and villages consist of elderly and retired people occupying residential accommodation. Fortunately we

represent an increasing proportion of the working population—particularly on newly developed estates in rural and semi-rural areas—but we do not pretend to represent industrial or commercial ratepayers. For that reason our proposals related only to domestic ratepayers. It is for the Chambers of Commerce and Trade, and other employers' organisations, to put forward proposals if they so wish, to improve the rating system from the viewpoint of commerce and industry.”

If this Union and its constituent Associations inserted the word “residential” into their titles, it would be more honest.

In my original memorandum I explained that the annual value of any site (if it has value at all) is created and maintained by the community at large and that to return this community-created value to the community in the form of the public services must lower the cost of living. To tax or rate the improvements to the site is to tax domestic wealth and

formation business to the National Anti-Fluoridation Campaign?” The answer is that if the Department of Health had told the truth, the whole truth and nothing but the truth about artificial fluoridation from the start, there would never have been a fluoridation issue as no responsible person who knew the facts and who had no bias from a financial or other private interest would ever have supported the totalitarian idea of using public water as a means of introducing into people's bodies a substance for the sole purpose of influencing (controlling) people in one way or another. In the circumstances it is only natural that our Campaign would support an idea designed to make the Department tell the truth, the whole truth and nothing but the truth.

capital, both of which are created and maintained by labour, so this raises the cost of living. Whilst the present rating system is the best system of raising revenue we have, it would be better if valuations were based upon site values only.

An objection to any form of income tax is that it has an inflationary tendency. When a worker has to seek an increase in his salary or wage from his employer, he has to seek an increase of £1.41p for every £1.00p by which his domestic expenses have increased if he is paying income tax at 33p in the £. It taxes all labour, energy, foresight and talent.

*It must be obvious that everything which is done to extinguish a charge on landed property, or to subsidise such a charge, increases the price, premium, or rent of that landed property.* Abolition of title, agricultural and industrial de-rating, and the rate support grant all have done this. In boroughs where the rate is subsidised from the rate equalisation fund, prices, premiums and rents all tend to go up and in those areas which contribute into the rate equalisation fund, they tend to go down. This is an immutable natural law.

The contention of the Union that persons who do not receive rate notices do not pay rates is of course nonsense. In the first

place, all contributing members of society, whether occupying as members of a family, as occupiers of furnished or unfurnished suites or bed-sitting rooms, as domestic workers, staff housed in staff hostels, lodgers, etc., do, in effect, contribute to the rates. So does a person from Manchester who stays in a London hotel, or a visitor from abroad who does so. Apart from this, 15½ per cent of all taxation, customs and excise goes into the rate support grant, and something like 25 per cent of all taxation, customs and excise is used for local government purposes, so that all these people are contributing to rates.

In view of the fact that the Union wants to subsidise people who occupy more accommodation than they need, I give the following statistics in respect of a North London terrace of houses built in 1907.

<b>Widow living alone</b>	
19-foot frontage	
Bedroom accommodation:	
4 adults, 1 child	
Rateable Value £254	£.p
Gross General rate	
at £1.3771 per £	349.78
Deduct support from housing subsidies, government grants, London rate equalisation scheme, etc., £0.8221	
in the £ on £254	208.81
<b>Net Rates payable:</b>	<b>140.97</b>

She is drawing widow's pension and social security benefits. She is occupying nineteen-foot run of services; metalling and paving of the road, main drainage, street lighting, water supply, gas supply, electric current supply, removal of refuse, police patrol, fire patrol, ambulance, etc., etc. The district is built up to accommodate seventy-five persons to the acre in seventeen dwellings. Taken to its logical conclusion, this argument of the Union that the widow should be encouraged in under-occupation puts society in the position that seventeen such persons could be occupying an acre of land planned and serviced for seventy-five persons.

The family next door  
Grandfather and grandmother

are the householders. They own the house, having paid off their mortgage. Grandfather is still working. Daughter and son-in-law are living at home and both are working. Grandmother looks after the grand child aged three years, during the day. Daughter and son-in-law are saving to get a house of their own. They make a contribution into the household expenses, but the grandfather actually receives the rating demand. The earned income is as follows:-

Grandfather	£ p
Son-in-law and daughter	1,750.00
	2,500.00
<b>Total:</b>	<b>4,250.00</b>
<b>Income Tax:</b>	
Grandfather	295.05
Son-in-law and daughter	460.35
<b>Total:</b>	<b>755.40</b>

Fifteen and a half per cent of all taxation, customs and excise paid by this working family goes towards the rate support grant locally, so towards their rate support grant of £208.81p, they are paying the sum of £117.09p from their income tax alone, without considering value-added tax, tax on wines, spirits, beer and tobacco; petrol tax, car tax, and all the rest.

They are occupying four feet two inches run of services per person.

Years ago, the Council told the landlord of the widow next door that if he would sell them the house, they would re-house her in a small, modern flat, but would make a reduction in the purchase-price on account of it, or, they would do the same if the landlord would take a family which he could choose from their housing list at a rent to be freely negotiated. The widow, however, would not agree, and the landlord did nothing to disturb her.

Not the least difficulty with local income tax is that in vast urban areas, there would be heavy defaults. In Brownswood Ward in the London borough of Hackney, where I live, about 20 per cent of the electorate disappear between electoral returns. These are mostly occupiers of furnished bed-sitting rooms and it would be very difficult to trace them.

On page two of my original memorandum, I gave the canons of taxation with which the rating system goes a long way to comply, and would more exactly comply if valuation were on site values only.

### ALADAR SOS

Aladar Sós, who died in Budapest on the 8th of June 1975, was one of the last protagonists of the heroic age of Hungarian Geogism. Born in the then Hungarian city of Temesvár (since 1920 Timisoara in Romania) on July 4, 1887, he took his academic degree as an architect and building engineer at the Budapest Institute of Technology, and started his professional career with the Hungarian National Railways, later turned to private enterprise and eventually became one of Hungary's top experts in town planning, winning prizes in several architectural competitions. After 1945, he was appointed Chief Architect of the Hungarian capital city and in this capacity he worked with youthful stamina until his retirement at the age of 70.

Already as a university student he realised that healthy building and town planning activities depended on sound land policies and as soon as he got acquainted with the teachings of Henry George, he accepted his conclusions and joined forces with the then young doctor, Julius J. Pikler, who, during the last years of the Austro-Hungarian Monarchy, led a forceful campaign for land value taxation in Hungary. Sós became Dr. Pikler's closest collaborator. He was a highly valued contributor to some of the most reputed scholarly journals of Hungary, and when Dr. Pikler's Geogist achievements of 1917 and 1918 were swept away by Hungary's political and economic collapse after World War I, Sós, together with a handful of idealists, tried to keep alive the idea of land value taxation by organizing conferences and preparing papers, and from 1934 to 1937, by co-editing with Dr. Pikler a Geogist journal, *Allan es polgar (State and citizen)*.

He was a first-rate representative of his profession, a fine scholar, and a gentleman of great personal charm.

Michael Siliagi

# LETTERS

## LAND NOT MERCHANDISE

SIR, — I read in your journal that "local authorities will eventually be buying all development land", which reminds me that out here (in the Antipodes) our Government has been experimenting cautiously with land purchase, but makes no headway in this because it simply cannot afford to pay market prices. If it is accepted that the land belongs to the people the most direct way to ensure that they benefit, is to take the land once and for all out of the market place so that it can no longer be parcelled out for buying and selling like any items of expendable merchandise. I think the time is ripe to make a clear distinction between land rights and rights of private property, to do away with the present system which allows land to be bought and sold and bequeathed along with the installations and equipment located upon it. This does not mean abolishing private property and private enterprise. It means that when a house, farm, or business changes hands by sale or by inheritance the new owner of the going concern would come in as a tenant of the land upon which his property is situated, agreeing to pay an annual rent to the government.

If this change were made slowly as the freeholders transfer their property to successors of their choice, the question of compensation need not arise. The new owners may as well come in pay-

ing rent to the government as selling or mortgaging their inheritance to pay death duties, or raising expensive mortgages to buy the land. The big advantage of the leasehold system is that it would do away once and for all with the deplorable practice of land speculation without interfering with people's rights to carry on with their business of pleasure as usual.

Yours faithfully,

Nelson, NZ  
CONSTANCE G. FOSTER

## CREDIT IS NOT MONEY

SIR, — It may seem churlish to take up a point with Professor Jones of University College, Cardiff, who at least understands the difference between credit and money, which so many other so-called economists do not.

He does happen to be in error, however, in stating that banks can lend much more than the money deposited with them by their clients. Unless the bank has simply enormous capital of its own in excess of its own fixed or long term assets, it is impossible for a bank to lend more than the amounts deposited with it by its customers. I have studied the balance sheets of banks very carefully during nearly fifty years of professional life and I have never found one where advances to customers were in excess of deposits from customers.

Where I think Professor Jones has slipped into error is in not realising that an advance to one bank's customer through the clear-

ing house system almost immediately becomes a deposit, either in the same bank, or in some other bank. No bank ever lends out more than is deposited with it.

Yours faithfully,

OLIVER SMEDLEY  
Saffron Walden,  
Essex

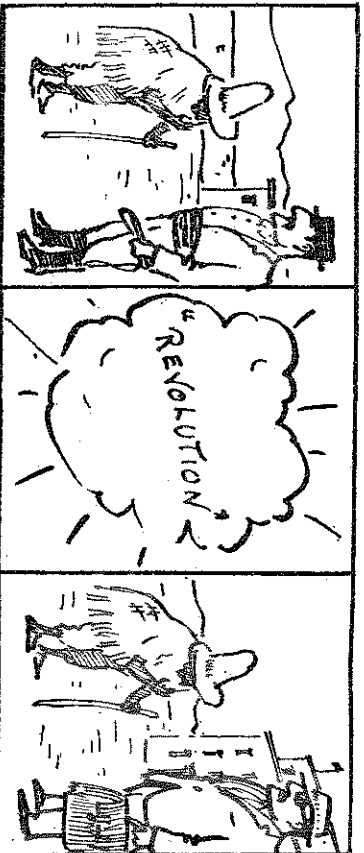
## PROMISES TO PAY

SIR, — Mr. Smedley's complaint (July/Aug. issue) that I have not replied to his argument, reminds me that I was once at a lecture in which my old friend, George Bedborough, was chairman. After the lecture, a member of the audience put a question, to which the lecturer replied. But the questioner jumped to his feet again with: "Mr. Chairman, the lecturer has not replied to my question." But Bedborough, with a perfectly serious face, waved the questioner to his seat and said: "No lecturer ever replies to a question. Next question please."

I will, however, try honestly to reply to Mr. Smedley's two questions. (1) The inscription on the old Scottish notes ran (with small variations) "I promise to pay to bearer on demand one pound sterling," and the notes were redeemable in coin. Hence the banks' vulnerability to foreign demands for gold. Surely it is equitable that if the free market price of gold rises, the holder of the note should receive a smaller *weight* of gold on redemption than before the rise. (2) The difference between redeeming a pound note in a pound's worth of gold at the current price in a free bullion market on the day redemption is demanded, and just buying gold with pound notes in the free gold market, is that in the former case the bank binds itself to redeem the note in gold; whereas the bullion market does not. It sometimes happened that rumours of a bank's instability depressed the market value of its notes, but the bank was able to scotch the rumour by freely redeeming all notes presented.

Yours faithfully,

HENRY MEULEN  
London, S.W.19.





## ELECTRONIC RECORDING OF PERSONAL DATA

SIR, — I enclose a memo\* sent some time ago to some of our Supreme Court Judges and our Minister of Justice, as well as to a solicitor friend involved in actions resulting from a search and confiscation of a large number of *medical files of confidential nature* by our Police.

The Appeal Court has just ordered return of these files and actions for "Conversion" and "Breach of copyright" are now likely to follow against both individual Officers involved and the Crown.

I have for long considered that the difficulty met in attempts to provide protection for personal privacy arises from the defective presumption that property in data

runs with possession of its vehicle. I feel that the confusion can be cut through by a realistic presumption that personal data is private property of its subject.

In common with British, Canadian, U.S. and some other jurisdictions, the decisions probably to be made here may well have effect as precedents over a large part of the human world.

In this age of technological efficiency, I feel that "Secret Trial" is permeating all our activities, not merely the obvious situations. This is absolutely incompatible with human liberty, and poses one of our most urgent problems.

Yours faithfully,

PETER CUMMING

*Whangamata,  
New Zealand.*

\* See this page.

## Property Rights in Personal Data

PETER CUMMING

Postulated: that the data of human memory are private property and remain so irrespective of ownership and location of store.

If this is recognised by appropriate Court Decision or by Legislation, it could resolve very simply most of the difficulties delaying provision of protection for privacy of stored data in all present and possible forms. It could also provide guides for conduct without violating those just needs of society tested and established over the years in our laws relating to ownership and private property rights. **Some probable consequences**

- \* Offence of *conversion*, which requires no evidence of further harm, and for which belief of legality is no defence, would arise.

- \* Theft would arise, even though victim may not be aware of complicity or its taking, and despite the intangible nature of the goods stolen.

- \* Unauthorised dealing would constitute "Trafficking in stolen goods" and receiving.

- \* Use or disclosure by owner or employee of any data store would

equate similar misconduct or felony by those of Banks or Safe Deposits. Owner's ignorance would aggravate offence.

- \* Entry to a file would constitute a form of "Breaking and entering", even if data conversion or theft did not take place.

- \* Negligent storage permitting disclosure in any form would constitute a *breach of trust* established by the acts of compilation or of storage.

- \* Right of access and of rectification would follow automatically for the owner of the data though for no other except by Court Order after proper legal process, and would constitute an effective restraint of frivolous, wasteful, malicious and unverified data compilation and storage.

- \* Copyright could be established.

- \* Self incrimination would have about the same conditions as apply at present to the contents of personal organic memory, i.e. our present means of *trying to enforce* disclosure of memory contents should remain in force over the "extended exterior memory" of

the witness or other parties. We should also respect the Nature-given capacity of the human person to resist such pressures on specified pains should this be his assessment or his value judgement of his situation. Taking of the contents of his file without free consent contains the essence of our objection to judicial torture and "brainwashing".

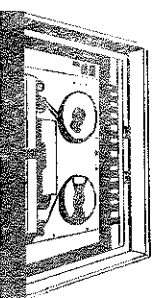
- \* Police search for evidence in data files would be subject to requirement of specific "address" identification in Search Warrants. "Blanket" search of clusters of personal files should require at least a special Warrant only issuable by Judges of Supreme Courts after due process and in extreme cases. Unwarranted search would constitute the whole gamut of crimes and actionable Civil Torts listed above plus probably some others.

- \* As our Courts must be presumed to have perfect memory and recall over all their past actions, they would have of course total access to their own files for their own legal purposes, though for no others.

- \* As the proposed recognition of the ownership of data would only apply to material identifiable with owner as "address" or with him personally by indirect means, no restriction of any data recording that is *both* useful and just could arise. Data compilation and recording would simply be made fully responsible both to society and to persons with actionable consequences for abuses of responsibility.

I feel that it is already the common feeling of informed persons, the basis of our Common Law, that such limitations and protections of privacy of personal data are both justified and needed, urgently.

The overlooking of this simple approach has been due to the long standing presumption in favour of ownership of all types of data by



its collector and/or the owner of its physical vehicle. It is the extreme efficiency of electronics that has forced our attention to the defects of this legal presumption.

## INTRODUCTION

**DURING** this century it has become clear that in public life no greater challenge presents itself to the governments of all nations of the world than the challenge of legislating in accordance with the eternal principles of the science of political economy. Certainly no government can be satisfied that they have begun to move in this unequivocal direction. Rather they must admit that the present ignorance of economic principles is making no mark on the suicidal path which threatens to lead on to war between the opposing ideologies of communism and liberalism, or to revolution and civil war. In former times the forces of religion, political moderation and even diplomacy have averted such calamities. Today, however, the overwhelming desire, unconscious and inarticulate perhaps, is the desire for economic justice and economic liberty. If governments can harness this desire they will command the whole-hearted allegiance of all the peaceful forces available.

Those principles of political economy concerning trade across the globe may not be the most important of this noble science, but they are the ones most frequently called in question to-day. In Europe the creation of the Economic Community has re-opened the question of free trade and of protection. The arguments of the protectionists have won the day. The voice of free trade commanded little respect and was all but stifled by the protectionists' claims that the doctrines of free trade and of *laissez nous faire* were outdated by nearly a century.

Such arguments are quite perverse. For the whole case for the creation of a protective community in Europe is advanced upon theories which in essence derive from the prejudices and the infant fumbblings of which the records of the seventeenth, eighteenth and nineteenth centuries bear most incontrovertible evidence.

The principles of free trade are principles discoverable and sustained by reason. They can not be varied or suspended or influenced by events.

Since the current arguments concerning trade have naturally returned to the ideas of long ago, it would be worth perhaps returning to some of the finest expressions and applications of the principles of free trade. First we will cover its introduction in England during the nineteenth century. Then to pre-revolution France where one of the founding fathers of the study of economics, M. Turgot, introduced similar measures, not by way of popular agitation but by executive will. Then to the Kingdom of Piedmont, Northern Italy, to take note of the ministerial action of Cavour. It is difficult to find two more sagacious statesmen in European history and Richard Cobden's memory is only to be enhanced by linking his singular efforts in England with those like spirits in Europe.

# The Battle Against Protection : An Historical Survey to the Present Day

**PART I: THE RISE OF THE ANTI-CORN LAW LEAGUE 1838.**

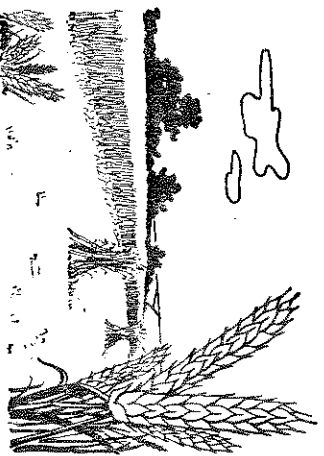
Malcolm Hill

**A**ROUND the middle of the eighteenth century the population of Britain did not exceed ten million, their economic activity was predominately agricultural and a sufficient surplus of grain was harvested to feed another million abroad. By 1815 this simple picture had been transformed; the population had advanced to almost twenty-five millions, many of whom crowded into the new industrial centres like Birmingham and Manchester, and grain had to be imported to feed these millions in England. In 1815 the unreformed parliament was still dominated by the traditional rural representatives who resented the expansion of trade at the expense of their traditional monopoly of the food market. They enacted a harsh Corn Law to shore up their interests. It forbade the importation of wheat below the high price of 80 shillings per quarter. Many of the current ideas advanced to protect agriculture today were voiced in that debate, but the most telling contribution came from Sir Gilbert Heathcote. He described his occupation as being "a considerable landowner," but he was against the Corn Law. "He should always prefer, it was reported, making the amount of rent depend on the price of corn, rather than render the price of corn consequent on the amount of rent."<sup>2</sup> Speaking some twenty seven years later Cobden commented on the Corn Law of 1815. "Every party in this House," he declared, "and many out of doors were deceived; but there was one party who were not deluded—the party most interested in the question—namely, the working classes. They were not deluded, for they saw with instinctive sagacity without aids of learning and education, without the pretence of political wisdom, what would be the effect of the law upon the rate of wages. Therefore it was that when that law (the 1815 Bill) was passed, your House was surrounded by the excited populace of London, and you were compelled to keep back an enraged people from your doors by the point of the bayonet. When that law was passed murder ensued. Yes, I call it murder, for the coroner's jury returned a verdict of wilful murder against the soldiers."<sup>3</sup>

In 1822 the threshold tariff was reduced from 80 shillings per quarter to 70 shillings per quarter barely

1. *Hansard* 1815 Col. 16.  
2. *Hansard* 1815 Col. 59.  
3. *Hansard* 1842, 24 Feb. Col. 1044.





to compensate the decline in money values. In 1828 Parliament replaced the earlier Corn Law with a regime of sliding scales of tariff and this was the Corn Law against which the Anti-Corn Law League fought some ten years later. During the debate Mr. Hume made a point which was later used by Cobden with great effect. "There was one mode of reason adopted," he said, "on the part of the landed proprietors . . . namely that which they used to put themselves forward as promoting this scale of duties, in order to protect agriculture. He denied that this was their object . . . He denied that the interests of the landowner and the farmer were the same."<sup>4</sup>

The 1828 Corn Law operated with intolerable severity as may be appreciated from an approximate example. During the decade to 1838 the domestic price of wheat averaged fifty-seven shillings and six pence per quarter and the F.O.B. price in France and Prussia during these years averaged thirty-four shillings and sixpence respectively. Applying the scale of the 1828 Bill's the import tariff, when the home price was fifty-seven shillings and sixpence would have been twenty-eight shillings and eightpence. Even allowing for shipping costs the British were denied any access to cheaper foreign corn.

Many consequences of the Corn Law were keenly felt by the commercial and the industrial interests. First, real wages were depressed by the artificially high cost of food. High money wages reduced the international competitiveness of industries. Secondly, the tariff, by excluding imports of foreign corn, destroyed export markets. With what will foreign merchants, who have an abundance of cheap corn, be able to pay for goods bought from manufacturers in England, they asked? Thirdly, to a few men of vision it was clear that the poverty of the masses attributable to protection, would divide the nation, and even lead to revolution.

In the Autumn of 1838, which followed a bad harvest, a number of businessmen met in a Manchester hotel to form the Anti-Corn Law Association. Their initial aim of petitioning Parliament for some relief was sharpened by Richard Cobden into a clear demand that the Corn Law be totally and immediately repealed. The demand carried conviction among

manufacturers in Manchester, and by the next Spring, funds had been collected, a journal for the Anti-Corn Law League had been launched with a bold heading which read "Laws based, as the Corn Law is, in injustice and partiality, can never be of long endurance. They are only fit for fair weather—they cannot resist the storm." Meetings were held all over the country to educate millions, lest that "storm" should arise in ignorance of its artificial causes, and of its direct remedy, and consequently plunge the nation into senseless revolution. Opposition to this agitation was at times, and particularly in the country districts, reported to be violent. Over the following two years the patient ground work of the Anti-Corn Law League was continued.

In 1841 Richard Cobden, its leading spokesman, was elected to the House of Commons, and henceforth the attention of the League was focused on the front bench of Sir Robert Peel's government, whose Conservative supporters had a vested interest in maintaining the Corn Laws. In his maiden speech Cobden struck a new note in politics; indeed a new assertion of enfranchised electorate. There were twenty million persons in these realms who depended upon wages for their subsistence. There were about a million upon public alms. And he claimed from Gentlemen on the other side, who were hugging the paupers as their pets, to let some of their sympathies be extended to the twenty millions who were in that situation that entitled them to their support . . . He told them that their tax on bread pressed more severely upon that class of men . . . He had heard that tax called by a multitude of names. Some designated it as a "protection"; but it was a tax after all, and he would call it nothing else.<sup>6</sup> Writing to his brother after making this speech Cobden comments "I had observed an evident disposition on the Tory side to set up as philanthropists. Old Sir Robert Inglis sat with his hands folded, ready to sigh, and if needful, to weep over a case of church destitution; he delivered a flaming panegyric upon Lord Ashley the other night, styling him the friend of the unprotected, after he had been canting about the sufferings of lunatics. Added to this, Peel has been professing the utmost anxiety for paupers . . . When I told them at the close of my speech I had been quietly observing all this, but it would not all do unless they showed their consistency by untaxing the poor man's loaf, there was a stillness and attention on the other side very much like the conduct of men looming agnast at the first consciousness of being found out."

In September of 1841 Cobden formed a partnership with John Bright which became a close and formidable alliance. Its beginning is related movingly by Bright "On the day when Mr. Cobden called upon me . . . I was in the depths of grief, I might say

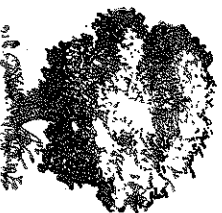
4. *Harvard* 1828, 29 April. Vol. XIX.

5. 9 Geo. IV. C.60

6. *Hansard* Vol. LIX. Cols. 235/236, 25-IX: 1841.

7. *The Life of Richard Cobden*, John Morley, p.185.

almost of despair; for the light and sunshine of my house had been extinguished, all that was left on earth of my young wife . . . was lying still and cold in the chamber above us . . . Mr. Cobden called upon me as his friend, and addressed me with words of condolence. After a time he looked up and said,



'There are thousands of houses in England at this moment where wives, mothers, and children are dying of hunger. Now,' he said 'when the first paroxysm of your grief is past, I would advise you to come with me, and we will never rest until the Corn Law is repealed.' I accepted his invitation. I knew that the description he had given of the homes of thousands was not an exaggerated description . . . the sufferings throughout the country were fearful . . . I felt in my conscience that there was a work which someone must do . . . and from that time we never ceased to labour hard on the resolution which we had made."<sup>8</sup>

In 1842, trade revived, prospects improved and Peel retained the old sliding-scale Corn Law. This temporary improvement provided an opportunity to widen the campaign outside the manufacturing districts. For as weather and prospects might easily change, so the country had to be prepared at the right moment.

During the Summer and Autumn of 1843 Cobden and Bright opened a rural campaign stretching all over England and Scotland, which demanded of them incessant travel, much speaking and little rest. As the main purpose of the campaign was to win the support of the farmers, who superficially had all to gain from the maintenance of high grain prices, and to win it by inspiration and reasoned argument, these rural meetings were lengthy. At Bedford, for example, a large crowd continued to question and listen from 3 p.m. to 9 p.m. despite being drenched by incessant and heavy showers.

By the opening of 1844 the Anti-Corn Law League had become one of the largest and most persistent political movements ever known in Britain. Yet the Corn Laws prevailed, although not as securely as the Monarchy as had been supposed hitherto.

\* \* \* \*

**DURING** the session of 1844 the Corn Law Question dropped into the background. In March, however, Cobden represented his case for immediate repeal; this time with a penetrating account of the condition of the agricultural workers and the tenant

farmers. He unfolded a horrifying account of poverty and misery from the testaments of priests and sociologists. Here, he demonstrated, were a large section of the nation to whom the manufacturers could never look as their potential customers; here were conditions which caused strikes and militancy in industrial centres, for no one wished to fall to such wretchedness. The tenant farmers he argued had nothing to gain from the maintenance of high price of corn, for most held short leases and were subject to rent reviews which claimed the supposed advantages of high prices. His speech was given for a motion that Parliament should appoint a Committee of Inquiry into the condition of agricultural workers and tenant farmers. Although the motion failed, the House of Commons heard full evidence which would have been presented, had such a Committee been set up. Indeed it registered in the consciences of the protectionist members. Writing after his speech Cobden relates: "It is now quite certain that our Free Trade Labours must be spread over a larger space of time than we contemplated at one time . . . Time can alone effect this business. It cannot be earned by storm."<sup>9</sup> The League now concentrated on advocating all its supporters to register their vote in the counties by purchasing the necessary qualification, prescribed by The Reform Act, of a freehold property worth forty shillings per year.

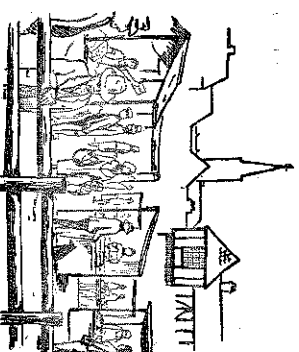
In 1844 another good harvest was gathered, the price of corn fell from fifty-seven shillings to forty-five shillings, the weather was mild, the general depression had lifted and the Revenue was in balance. Amid this general prosperity, one dissident voice was raised; that of the tenant farmer whose rent had not fallen with the price of corn. Their situation was mentioned every week in Parliament. In the Spring of 1845 Cobden delivered his greatest speech on the same motion of the previous year. Besides heart chilling accounts of poverty and economic slavery, witnessed among farm labourers, and farming tenants all over the country, he startled the House by showing that the value of exports to Brazil that year exceeded the value of goods consumed by the whole number of agricultural workers and their families. Peel had strained to follow every line of reasoning, and towards the end of Cobden's speech he crumpled



his notes and turned to Sidney Herbert to say, "You must answer this, for I cannot."<sup>10</sup> It marked a turning point in the relations between Peel and Cobden, for whilst most country members were silenced, Peel had understood the force of Cobden's arguments.

<sup>8</sup> Op. cit. p.190.

<sup>9</sup> Op. cit. p.294.  
<sup>10</sup> Op. cit. p.318.



the whole range of commodities and manufactured articles. Politics was cleansed of many of the vested interests of protection, and the nation enjoyed the freedom of trade, thus effected, until the First World War. A period of great prosperity was enjoyed

During the summer of 1845 Cobden considered the future; "They (the Government) are going to repeal it (The Corn Law), as I told you—mark my words—at a season of distress. The distress may come; aye, three weeks of showery weather when the wheat is in bloom or ripening would repeal these Corn Laws."<sup>11</sup> The first weeks of August were cold and wet, and a potato disease which had broken out in France and in Missouri, set in. By mid-September, the disease had struck the potato crop in the ground and in the barns, and it had been particularly severe in Ireland where poverty had raised the potato to the main ingredient of a wretched diet. In October rain ruined the ungathered wheat crops north of the Trent. The League's journal carried this report:

"The potato (unknown in Europe to about 1550) is the last desperate and miserable solution to a miserable problem, which the Corn Law compels the English, to solve on pain of starvation.

It is clear too—even though we had no Ireland for our warning—what are the conditions and contingencies of a potato-fed life. A potato eating people are a people crowded together up to extreme limits of the potato bearing limits of the soil—living habitually on the coarsest and least nutritious diet that will sustain life—and utterly without resources or alternative in the event of failure of this one crop. A potato eating people has no *pis aller*. Mr. McCulloch says they have reached the lowest point in a diminishing scale, and they can go no lower. Lower than potatoes there is nothing, but death by hunger." At a meeting of 8,000 held in Manchester during that October, Cobden underlined the point, "We are not met here tonight to exult in the fallen and menacing condition of our unhappy sister island, Ireland, whose inhabitants, in consequence of the failure of the potato crop and the deficiency of the wheat harvest, seem to have starvation staring them in the face and famine impending over them . . . The object for which we have laboured for seven years have been abundance and plenty!" Awareness of the need grew rapidly as people considered the onset of Winter. "Mark my words", declared Cobden to a gathering in Birmingham, "and I speak them in sorrow, that next spring will develop the calamitous results of our present suicidal policy." At the end of November, Lord John Russell, the Whig leader, abandoned his belief in the Corn Law by advocating in a letter to his constituents its immediate and total repeal.

By the New Year, Peel had decided to repeal, not at once, but over three years and the Bill of Repeal reached the Statute Book by July, 1846. Upon that event, the Anti-Corn Law League wound up its affairs and dissolved.

The repeal of the Corn Law was but the spearhead of the attack of Free Traders upon the Protectionists. In its wake followed the repeal of import duties on

throughout by farmers, apart from three crop failures in the late 1880's. It was as if a safety valve had been released and industry and commerce were allowed to develop with great flexibility. Like a tree, which must bend with the wind, the economy was allowed to respond to changing fortune. Unfortunately, after the First World War political thinking reverted to its early nineteenth century mercantile dogmas, and by 1931 protection was welcomed back. In 1975 we have turned the full circle; governments have not spared themselves in their interference with economies, trade, and with the monetary mechanisms, food prices have risen, and the Common Agricultural Policy threatens the same mischief that the Corn Laws threatened in 1838. Gradually the chorus clamouring for protection of domestic industry swells; economists, politicians, businessmen and trade unionists are falling over themselves to demand protection not as a fundamental principle but as a temporary relief which was especially designed for the world as it finds itself in 1975. (*to be continued*).

\* \* \*

## THE BATTLE AGAINST PROTECTION

### PART ONE: (*This issue*)

- \* Introduction
- \* Rise of the Anti-Corn Law League 1838-1843
- \* Opinion Changes, and the Repeal of the Corn Laws follows 1844-1846

### PART TWO: (*To follow*)

- \* Introduction
- \* The Anglo-French Commercial Treaty 1859-1864
- \* The Introduction of Free Trade in French Grain
- \* The Adoption of Free Trade in Italy 1851
- \* A Contemporary Incident 1972 in the USA

### PART THREE: (*To follow*)

- \* Conclusions

11. Op. cit. p.325.



# The Founding Fathers' Fear of Power

ALLAN C. BROWNFELD

**A** AMERICANS are subjected to a maze of rules and regulations by what is becoming an increasingly powerful governmental apparatus.

Government now feels that it has the right and the power to tell us to buckle our automobile seat belts, what drugs we may and may not take, what race and sex a job applicant must be to be hired, what distant school our children will be bused to attend, what kind of gasoline we must use in our cars... and this is only the beginning. On the horizon are plans for governmentally controlled medical care, national zoning in the form of land use legislation, national data banks which will know everything about us and our personal lives, and a host of other interferences in what we once believed was meant to be a free society....

The Founding Fathers were deeply suspicious of centralized governmental power. It was this fear of total government which caused them to rebel against the arbitrary rule of King George III. In the Constitution they tried their best to construct a form of government which, through a series of checks and balances and a clear division of powers, would protect the individual. They believed that government was a necessary evil, not a positive good. They would shudder at popular assumptions which regard government as the answer to all of our problems and which allow public officials to claim rights superior to those of the men and women who have elected them.

In a letter to Edward Carrington, Thomas Jefferson wrote that, "The natural progress of things

is for liberty to yield and government to gain ground." He noted that "one of the most profound preferences in human nature is for satisfying one's needs and desires with the least possible exertion; for appropriating wealth produced by the labour of others, rather than producing it by one's own labour... the stronger and more centralized the government, the safer would be the guarantee of such monopolies; in other words, the stronger the government, the weaker the producer, the less consideration need be given him and the more might be taken away from him."

At the beginning of his Administration, Jefferson wrote a friend that, "The path we have to pursue is so quiet that we have to nothing scarcely to propose to our Legislature. A noiseless course not meddling with the affairs of others, unattractive of notice, is a mark that society is going on in happiness."

Today, of course, there is almost no aspect of our lives that some agency of government does not consider within the province of its authority and control.

That government should be clearly limited and that power was a corrupting force was the essential perception held by the men who made the nation. In *The Federalist Papers*, James Madison declared that, "It may be a reflection on human nature that such devices should be necessary to control the abuses of government. But what is government itself but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you

must first enable the government to control the governed, and in the next place oblige it to control itself."

The Founding Fathers were not utopians. They understood man's nature and attempted to form a government which was consistent with—not contrary to—that nature. Alexander Hamilton pointed out that, "Here we have already seen enough of the fallacy and extravagance of those idle theories which have amused us with promises of an exemption from the imperfections, weaknesses, and evils incident to society in every shape. Is it not time to awake from the deceitful dream of a golden age, and to adopt as a practical maxim for the direction of our political conduct that we, as well as the other inhabitants of the globe, are yet remote from the happy empire of perfect wisdom and perfect virtue?"

Rather than viewing man and government in positive terms the Framers of the Constitution had almost precisely the opposite view. John Adams expressed the view that, "Whoever would found a state and make proper laws for the government of it must presume that all men are bad by nature." As if speaking to those who place ultimate faith in egalitarian democracy, Adams attempted to learn something from the pages of past history: "We may appeal to every page of history we have hitherto turned over, for proofs irrefragable, that the people, when they have been unchecked, have been as unjust, tyrannical, brutal, barbarous and cruel as any king or senate possessed of uncontrollable power.... All projects of government, formed upon a supposition of continual vigilance, sagacity, and virtue, firmness of the people, when possessed of the exercise of supreme power, are cheats and delusions.... The fundamental article of my political creed is that despotism, or unlimited sovereignty, or absolute power, is the same in a majority of a popular assembly, an aristocratical council, an oligarchical junta, and a single emperor. Equally arbitrary, cruel, bloody, and in every respect diabolical."

The political philosopher who had the most important impact

Mr. Brownfeld of Alexandria, Virginia, is a freelance author, editor, and lecturer, especially interested in political science. This article, slightly abridged, is from *The Freeman*, New York.

upon the thinking of the Founding Fathers was John Locke. Locke repeatedly emphasized his suspicion of government power and believed that if the authorities violate their trust, the regime is to be dissolved.

It was Locke's view, in addition, that the legislative branch of government—that branch closest to the people and most subject to their control—should be the most powerful governmental branch. In his *Second Treatise*, Locke notes: "Yet the legislative being only a fiduciary power to act for certain ends, there remains still in the people a supreme power to remove or alter the legislative, when they find the legislative act contrary to the trust reposed in them . . . . And thus the community perpetually retains a supreme power of saving themselves from the attempts and designs of any body, even of their legislators, whenever they shall be so foolish or so wicked as to lay and carry on designs against the liberties and properties of the subject . . . ."

When the Articles of Confederation were being considered, fears of excessive concentration of authority were often expressed. The town of West Springfield, Massachusetts, to cite one example, reminded its representatives of the "weakness of human nature and growing thirst for power . . . . It is *freedom*, Gentlemen, it is freedom, and not a choice of the forms of servitude for which we contend, and we rely on your fidelity, that you will not consent to the present plan of Union, till after the most calm and dispassionate examination you are fully convinced that it is well calculated to secure so great and desirable an object."

One of the early textbooks of the American patriots was *Cato's Letters*, the joint product of Thomas Gordon and John Trenchard. Written during 1720-23, it was widely read in the colonies together with James Burgh's *Political Disquisitions*. The basic concept stressed in both of these works is the evil effect of power. "The love of power is natural," wrote Burgh, "it is insatiable; it is whetted, not cloyed by possession."

Gordon and Trenchard observed that, "Power renders man wanton, insolent to others, and fond of himself . . . . All history affords but few instances of men trusted with great power without abusing it, when with security they could."

The people must retain power in their own hands, grant it sparingly, and then only under the strictest supervision. "The people can never be too jealous of their liberties," warned Burgh. "Power is of an elastic nature, ever extending itself and encroaching on the liberties of the subjects." *Cato* also believed that, "Political jealousy . . . in the people is a necessary and laudable passion." Therefore, the people must select their rulers with care, and these must be "narrowly watched and checked with Restraints stronger than their Temptation to break them."

#### *Eternal Vigilance*

The written and spoken words of the men who led the Revolution give us numerous examples of their fear and suspicion of power and the men who held it. Samuel Adams asserted that "there is a degree of watchfulness over all men possessed of power or influ-

ence upon which the liberties of mankind much depend. It is necessary to guard against the infirmities of the best as well as the wickedness of the worst of men."

The corruption of power, the oppression of strong government—these were the vital, immediate dangers felt by those who waged the Revolution.

Today, unfortunately, government seems to be out of our control. Non-elected officials—bureaucrats—make rules which have the effect of law, controlling more and more aspects of our lives. Government is no longer viewed in negative terms, but is now viewed positively, as the answer to almost all of our social, economic, and political problems.

In 1800, Jefferson wrote of his belief that "a single consolidated government would become the most corrupt government on earth." Twenty-one years later he remarked that, "Our government is now taking so steady a course as to show by what road it will pass to destruction, to wit: by consolidation first, and then corruption, its necessary consequence."

#### ADVERT

### *Marx, Economic Growth and Land Taxation*

BY FRED HARRISON

The transformation of pre-capitalist societies to a state of self-sustaining industrial growth is a central problem for the world today. The European industrial state is, generally speaking, the model to which most Third World countries aspire. The fundamental aim is to shift away from dependence on traditional agricultural activity and towards factory-based economies.

In this booklet, it is considered how agrarian societies can best undertake the transition, the economic metamorphosis which—for the established industrial societies—has raised the standards of living of ordinary people well above the level of subsistence which has been the normal condition of mankind.

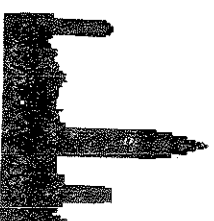
Two theoretical approaches are examined. First, the theories of Karl Marx, who wrote while observing Asian and African countries being subjected to the techniques and values of European colonial countries. Then, the ethical critique offered by the American economist, Henry George, who like Marx held a belief in a "surplus value" which ought to be communally owned and shared, though their views on the nature of that surplus differed markedly. Finally, a look is taken at the twists of history which shaped the development paths of two British colonies, India and Nigeria.

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## STRAWS IN THE WIND

Robert Clancy



**F**UNDAMENTAL land reform is still a long way off. The likelihood of tapping the full rent of land as a source of public revenue in place of today's many regressive and regressive taxes does not appear to be an immediate prospect.

Still, there are indications — perhaps no more than straws in the wind as yet — that there may be some progress toward sensible land reform. Here are some developments in the USA:

*Assessments.* Around the country there is a growing realization that real estate has not been properly valued for tax purposes. Abuses, inequities and fractional assessments abound, but more and more attention is being paid to the problem. Resistance to change is profound, and all sorts of persuasions and pressures are being put forth to prevent full assessments, but the best professional opinion is in favour of assessment reform. The highest court in New York State has determined in favour of 100 per cent real estate assessments, and in many other states a drive in this direction is gaining force.

*Distinction between land and improvements.* This is an even tougher nut to crack, but to some extent the distinction is being made. The anomaly of vacant land in cities getting away with low taxes is gaining more attention. Another point receiving recognition is the unfairness of taxing every new improvement that enhances the community. It is also being noticed that the gross-est under-assessment is usually with respect to land rather than improvements. So far, authoritative opinion asks only that land should bear "its fair share of the tax load" rather than become the chief source of revenue — but that is still a big step in the right direction.

*Land use planning.* This is an area fraught with perils and pit-

falls. It promotes temptation for ill-advised governmental controls and costly mistakes. But for all that, it represents at least an awareness that a problem exists: that land, a basic and necessary resource, is being misused as things are today. Much of the support for land use planning is based on this thought, as in an editorial on the subject in the *St. Petersburg Times* which stated: "Increasing numbers of citizens, *The Times* among them, argue that the national interest now requires that land owners no longer exercise absolute property rights over land. Land is an important, non-renewable resource. Land owners are custodians temporarily entrusted with its care." A great idea—but the job is to direct it toward the implementation of equal rights to land rather than the creation of one more bureaucracy.

*Land reform movements.* A newly enhanced appreciation for the land in this age of decaying cities has given rise to a number of grassroots movements. The environmentalist movement seeks the conservation of natural resources and the reduction of pollution, and has become aware of the power of land monopoly as an obstacle toward these goals. Various land reform groups on the rural front are battling large land owners and are promoting the interests of small farmers, tenant farmers and migrant workers. The land trust movement is also growing. A "land trust" purchases a tract of land large enough and cheap enough to permit settlement by homesteaders, leasing rather than selling the land. These movements indicate a recognition of the need to pay more attention to land and land tenure than has been the case.

*Public lands.* The public domain in the USA comprises a surprising one-third of its land area. While much of it is what is left over after the better lands have been

appropriated, there is much in the public domain that bears attention. Valuable resources exist on public lands and more are being discovered—timber, grazing land, oil, shale-oil, natural gas, minerals—and they are leased out on a bidding basis. Year by year revenues from this source are growing to significant proportions. Whereas the 19th century saw much squandering of the public domain, the Department of the Interior seems now resolved to conserve and manage it in the public interest. In addition, off-shore oil reserves are being leased by the federal government, bringing in more millions of dollars in revenue.

There are many more developments on the world stage—such as international conferences on the use of the ocean, the world-wide energy crisis, the need for land reform in developing countries. All these happenings may develop in a number of different ways and have not as yet shown a clear move in the right direction. But they show that the land question is very much a "now" thing and create an atmosphere in which the philosophy of fundamental land reform—equal rights to land via community collection of rent—is quite relevant and very much to the point.

## REVENUE BENEATH ITS FEET

Councilmen Robert F. Wagner Jr. and Henry J. Stern, both of Manhattan, have urged that the city stop under-assessing its 60,000 vacant lots and raise assessments to true value to increase revenues by \$18-million a year. They said this would provide an incentive for private owners to develop vacant land.

New York Times  
August 8





# THE FIELD OF FORCE

Frank McEachran

(Author of *Freedom the Only End*)

THE prevailing conception of power in modern times is usually political. In the modern state, bodies of subordinate workers are well protected by their trades union and by the general law of the land. Workers fear unemployment, they fear inflation, they fear war, but as a rule they do not, at least in Britain and America, fear the employer as a personal agent. Sometimes the boot may even be on the other foot, in that workers, by their organised activities such as striking, can do more harm to the employer than they could in most cases suffer from him. It would in fact be difficult to apportion the amount of power individually between say a shopsteward, the Chairman of I.C.U., the President of the Transport Union and the Director General of Ford Motors. Nor would it be very fruitful.

Politically, however, although this is concealed by democratic forms in most countries, the power which has been lost by the individual and transferred to the statesman is alarming.

Throughout history human society has thrown up governments, powerful governments and powerful parties, so that since very primitive times human society has never been without them. And it is true to say that, apart from isolated communities, such as the Red Indians and the Esquimaux, force has always been the main promoter of human activity.

But I want to refer to another kind of force - the "field of force" as, I believe, it is understood in mathematics and engineering, in which enormous stresses are exactly balanced without any single area monopolising the resources of power. An ideal society would be analogous to this, one in which the totality of power inherent in it, is diffused throughout the whole in such a way that, although weak

and strong elements exist side by side, yet over the total field they cancel each other out exactly. An analogy perhaps more familiar would be that of a cathedral dome in which the circular ribs of the vault, curving to meet at the highest point, exactly balance each other and no strain is felt at the top. The point of the dome, while apparently the focus of innumerable tensions, is a point of no tension at all.

Although some people are weak and others strong, it is not inconceivable that they might be placed in such a relationship to each other as would balance out exactly. We realise that in the present monopoly state of the world this possibility can be presented only on a theoretical basis, but there is evidence that can be drawn from the past and from some scattered examples in our time that the theory is a relevant one.

To start with a fundamental economic issue we might take the argument for free trade. Presented in its purest simplicity the argument is convincing and has, in fact, never been refuted. In the course of world trade, goods pass from Hong Kong to Britain and *vice versa*, and what is called free exchange takes place. Thus the standard of a normal free exchange should be simply the bargaining between men of greater and less skill and greater and less natural advantages on a background of freedom and nothing else. The man of greater skill gets more out

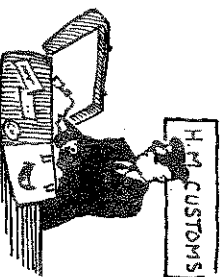
ment should enter in and no restraints of any kind should be imposed by governments.

We may then suppose that each party in the affair has agreed that the value of the goods (or money) he receives is greater to him than that he is parting with. Now here we are presented with the miracle of free trade. Both sides have gained, otherwise there would have been no point in trading, and the operation of free trade has simply increased the wealth of each party. The exercise has been profitable.

There, if only in a limited form, is the field of force to which I refer. This kind of profit is what the ill-used term profit really means in the economic sense, not the "profit" pejoratively spoken of, when one man gains only at the expense of another. All profit could be of this kind, embodied, as it were, in the field of force and arising only with mutual consent and springing only from mutual self-interest. One great potentiality for social and economic good in the world is free trading between nations. If achieved, it would create a perfect field of force. No one would dictate it, no one would control it, no one would hinder it. It would constitute a completely free, yet harmoniously working, market.

The issue can be broadened to include other elements of economic sense, going beyond free trade and its relatively simple problems. The natural economic channels through which wealth is distributed correspond to the factors engaged in its production - wages for labour, rent for land and interest for capital. Is there an interbalancing field of force for these three factors once state-sponsored and maintained monopolies and state privileges have been excluded?

A society of really free citizens



of it, as he should, but the weaker man gets his fair share, according to his merits. No monopoly ele-

would not be divided into anthropological species such as capitalists, landowners and workers (with monopolists and sectional interests hiding behind the skirts of the capitalists) who are presented as organically different types of human beings; people who talk differently and struggle incessantly against each other. Instead, it would be a society where individuals would be free to embody all or any of the economic characteristics in their individual activities. In varying degrees according to skills, inclinations and opportunities individuals would be labourers, capitalists and, in sharing the

economic rent of land, they would be landlords. They would also be tenants, since they would be contributing rent to the community for any land they held in their possession. The demarcation which now exists between landlords, capitalists and workers (though even now somewhat blurred) would be lost altogether in the re-shaping of society. The fact that the "boss" who managed a particular enterprise earned more than the men below him would be simply an index of his greater skill and responsibility, in no way marking him off as a distinct anthropological species.

## Miscellany

### "Fair Shares" of Land Value

THE British Property Federation are not against the principle of taxing land values, says a recent press release by them. This conversion to the taxation of land values seemed too good to be true—and it was. It turns out that the British Property Federation are not against the Development Land Tax (a tax merely on land developed to a higher use). Even so, they consider the proposed tax rate of 80 per cent of gains made realisable by planning, as too high. They say, rightly, that such a rate—and going up to 100 per cent as it is intended—will "dry up the supply of land and quickly bring private development, including house building to a halt."

The British Property Federation are willing to share their capital land gains with the Exchequer provided the latter's share is not too large and on the principle that it gives a "fair and proper share of planning gain to the community." However, there is nothing fair and proper about a tax on *some* land values whatever their origin, nor for that matter is there anything logical or economically sound about it.

If the British Property Federation are interested in fairness and in the availability of land for development they might take a look at the taxation of (all) land values as understood by those who have consistently advocated it over the years.

Concessions to socialist ill-conceived development taxes will do the property market no good nor the community in general. Such concessions will merely be used as justification for further land nationalisation.

### Leave Them Alone But Tax the Land

UNDER the proposed Land Bill, churches and charities (the latter including colleges with charity status) would be able to develop their land for their own purposes without local authority interference.

This has angered the Oxford housing group of trade unionists, tenants and others concerned with reducing the city's housing waiting list of about 3,000.

Mr. Andrew Larkin, the group's spokesman, believes that the Bill has wide implications for Oxford and Cambridge and other areas where university colleges have charity status.

"In Oxford the university has a stranglehold on a lot of land," he said. "It is very serious for the city if the university is allowed to keep control over its development land."

The group claims that St. John's College and Christ Church are the biggest landowners, the former holding much of the land in North Oxford.

*The Guardian* 18th July

### Planning for Stagnation

THERE has been a net increase of 80,000 in the total number of staff employed by the new county and district councils since the reorganisation of local government in England and Wales making a total of almost two and a half million in local government employment. Now, it is estimated, a further 4,000 planners will be required in England and Scotland alone plus a further 8,000 other staff when the new Land Bill becomes law.

The planners, it appears, will be recruited from private practice, which should not prove difficult comments *The Guardian*, August 13, since the effect of the Land Bill has been to bring new development almost to a standstill.

However, if, as many professional and political observers predict, new development will stay at a standstill, despite the hopes and intentions of the Bill's sponsors, we may have an unrecorded increase in unemployment of some 12,000 local government staff. But maybe these could be transferred to the local labour exchanges (departments of employment) to register the unemployed builders, carpenters, plasterers, bricklayers etc., whose employment opportunities will have also come to a standstill.

### Landowners Approve LVT

ON February 28, 1975, the San Diego City Council voted to establish North City West, a projected subdivision of 4,300 acres with a probable eventual population of 40,000.

But what makes this action unique, even historic, is that by unanimous vote of the Council, all public capital improvements for this community-to-be of 14,000 homes will be paid for by a tax on land values. To this extent, all improvements will be tax free. Eighty-eight per cent of the landowners in the area indicated that this is how they desired the development to be financed.

Councilman Floyd Morrow was the guiding force behind this action. He expects that soon San Diego will have a land value tax suburb.

*From Tax-Free New Towns*  
Pa. USA, May