

of their own. In the interests of *whose* agriculture it may be asked shall men be ganged as labourers and not aspire to independence, free from impertinent enquiries, investigation and search into their capabilities? Is it that they shall subserve the interests of landlords and farmers?

The provisions in the Bill for the creation of small holdings can be dismissed as mere window-dressing. The holdings will be procured under land purchase schemes and at a cost so high as to involve a heavy annual subsidy. They will be reserved only for men who (in the Minister's opinion) are skilled, experienced and capable. They will be let at a full fair rent 'thereby excluding the possibility of unfair competition between smallholders and ordinary farmers'—words of high significance expressing the dear land policy the Government has embraced and its surrender to monopoly. These holdings will be few and far between. The great mass of agricultural labourers, not their competence but their equal right to the use of land being their qualification, are denied the opportunity to become farmers on their own account. The State-fixed minimum rate of wages is their only privilege, and a worthless guarantee if they can find no one able or willing to hire them.

The Bill turns the whole farming industry into a vast closed corporation ruled by committees to decide, by their tests of so-called efficiency, who shall gain their livelihood within its precincts. Whoso wishes to take up farming can be required to satisfy official bodies that he is qualified by experience and capital resources. Pioneering enterprise, initiative and independence, equally with alleged negligence, can come in conflict with the official 'rules of good husbandry' and suffer the penalty. If the farmer does not conform he can be 'supervised,' and if he still proves recalcitrant he can be dispossessed and turned out of house and home. Driven off, branded as an incompetent or rebel by his County Agricultural Committee, he can give up all hope of ever farming again. The vacancy can be retained for a more pliant occupant or one who has not the same scruples. Nothing could be better calculated to run down the whole standard of agriculture or lead to all manner of corruption and abuse.

The passage of this Bill as a deliberate long-term policy, based

on bribery and compulsion of producers and exploitation of consumers, will be the reinstitution of the Corn Laws. A hundred years after their repeal we will be back to the famine-stricken conditions caused by the taxation of food, the closing of a free market and the consecration of privilege. The Labour Government accepts and pursues the policies which in the last number of years have steadily trended in that direction. Trade barriers have risen higher and higher and increasingly the grants-in-aid of special interests mount up. Richard Cobden warned against the collateral course that landlord influence would take in its 'revenge' for the Corn Law Repeal and prophetically it has been followed. Burdens have been progressively taken off land and progressively taxation has been shifted on labour and its fruits. The process is written chapter by chapter in the series of Agricultural Rates Acts culminating in the Derating Act of 1929—Mr. Churchill's vile gift to the people—and now all agricultural land is completely free of local taxation however valuable it may be. The inevitable economic effect has been to entrench the land monopoly in greater power and make habitation and work on the land the continuing victim of its claims to tribute. The relevance of those circumstances to the welfare of agriculture and the far wider 'condition of the people' question cannot be ignored, and only right action taken with regard to them can hope to save the situation.

Free Trade and the Taxation of Land Values, are they not clearly indicated as the policies that must be adopted in the interests of agriculture as of all industry, and the general welfare? Irrespective of the fiscal policy of any other country, let British ports be opened NOW to the trade of the whole world. Let every artificial barrier to the entry of raw materials and farm and other products be abolished. The essential accompaniment of that freedom, indeed it is precedent, is the freedom to produce which the Taxation of Land Values would attain, at the same time deriving the public revenue from that fund, the rent of land, which belongs rightfully to the people as a whole; and correspondingly, taxation bearing on labour and its products would be remitted. It is by these means and these means only that agriculture like all industries would achieve efficiency and progress—efficiency through competition on the free world market and progress by securing that encouragement is everywhere given to the wisest and best use of land.

TOWN AND COUNTRY PLANNING

The massive and complicated, and highly controversial, Town and Country Planning Bill has emerged from the Committee Stage with 37 of its 126 clauses and seven of its 13 schedules undiscussed. The 'guillotine' with its fixed time-table has been brutally used to force this legislation on the Statute Book. The Bill is to be reported to the House of Commons on May 12, only three days being allotted for the Report Stage and Third Reading, after which it goes to the House of Lords where it may be hoped it will secure the thorough discussion it needs.

One of the amendments tabled by the Government is of vital importance. Driven by the vigilant watch-dogs of the landed interests and by admittedly irresistible logic, the Government has abandoned the '1939 ceiling' price for land acquired by public authorities. The price is now to be based on the considerably higher 'current market value' as on January 7, 1947, the date on which the Bill was published and which is used in connection with other provisions. This concession will involve the payment of vastly increased sums, considering that the Bill is so largely a land purchase measure irrespective of what it proposes by way of the gift of £300,000,000 to landowners as compensation for the deprivation of their 'development rights'. But making January, 1947, a standard for the prices to be paid for land hereafter leaves the 'landlord' argument as it was. It will be equally an anomaly to pay a 1947 price for land bought in 1960 or 1970 which may have then an actual value of a much higher figure. The same argument applies to any arbitrary date

as it applied to the choice of March 31, 1939. That argument is sure to be pressed as time goes on, leaving any Government which has embraced this folly and wickedness of public land purchase no alternative but to submit. But we imagine that it will not be long before public indignation will rise in revolt against these land purchase schemes, and because of their inflationary effects and burdens upon ratepayers and taxpayers (besides their obvious injustice) it will be imperative to call a halt. Public sentiment will turn all the more swiftly to more radical measures for making land accessible for use and development. Meanwhile we can congratulate the landed interests on their having so made their own case that in effect they have smashed this most iniquitous Bill, as *others* see its iniquity. They have brought proper discredit upon legislators who, betraying the interests of the people, have been prepared to play fast and loose with the publicly created land values, capitalising them and handing them as a gift to the landowners whereas they should be taken in taxation for the public revenue.

The condemnation of the Bill on other grounds is complete. What is this madness that is going to hold up all building development unless permission is given by some over-ruling authority? Its machinery is inoperative or if it operates at all it will be under the infliction of most foolish and arbitrary taxation. It has been interesting to follow the discussions that took place in Committee and we wish we had space to report them. It has been abundantly revealed that the so-called 'development

charge' is anything but a tax either on land values or on increases in land values. It is true that the Bill speaks of a Central Land Board (a new *ad hoc* authority) which in determining what development charge is to be paid 'shall have regard to any increase in the value of land,' which is the result of carrying out of building operations. But as the Bill defines 'land' to be 'any corporeal hereditament including a building' the development charge simply becomes a tax on the excess in the value of buildings after the development over that of the old buildings that were on the land beforehand. This was frankly admitted by Mr. Silkin who could only play on the idea of 'site value' in the case of land which before development was entirely vacant. There is no intention to separate the value of land from the value of buildings, nor could the drafters of this Bill be expected to contemplate any such thing because they have completely distorted the idea. Over and over again, they seem to approach the subject as if the value of land (as land) differs according to what building stands upon it, and they think that the 'development charge' is justified because when a new building takes the place of another that was standing on the same site, the value of the land underneath the building has been raised.

It is of extraordinary importance to bear this in mind in view of what is perhaps coming—namely the proposals in subsequent legislation for a measure that may be put forward in the name of the Rating of Land Values. We would warn our readers in advance to be on the lookout for a scheme of things based on the Uthwatt Committee recommendations that 'site value' will be estimated as the value of any land on the supposition that it is *permanently restricted to its present use* (!)—a ridiculous if not impossible splitting of the rent or rateable values of properties as they are used today—so that one would see something called 'site value' varying from point to point according as a new or an old or a large or a small building stands upon lands which (apart from the improvements) have precisely the same value. In the result, this travesty of things would impose a higher tax the better any land is developed and would put a premium on neglect and deterioration. In offering this warning we do not speak without occasion for it.

CORRESPONDENCE

HOW DOES RENT ARISE?

A New Zealand correspondent writes:

There is a school of thought which holds that land has (and can have) no inherent value. The argument is that all rent is due to location, that is, to the services supplied (railways, roads, markets, etc.), and it is this, *alone*, which gives rise to the value which attaches to a block of land.

While it is no doubt true that the greatest portion of rent is attributable to location, I hold that some land possesses a value due to natural advantages. Block A. and B. may be equal as regards location, but if A. is more fertile, better supplied with natural water and better situated as to sunshine, it will command a higher rental than Block B. Is not this *additional* rental due to a value inherent in the land? The argument against this is that without access to these blocks neither would have any rental value at all. That, however, would apply to anything. A stock of boots would be valueless, if inaccessible. The contention seems to me to be unsound. Moreover, I think a case can be stated where land with no location value will still command a rent.

[The term 'inherent value' is misleading. Nothing can have any value unless there are human beings who want it. Value is not a quality inherent in material things in the sense that colour, hardness and other physical or chemical qualities are. Value cannot exist apart from human needs and desires, which are very mutable and dependent upon a multitude of factors. On the other hand, as to land, the advantage of situation is the governing factor which makes one piece of land more desired than another and that 'inherent' quality differing from place to place and from site to site is what causes land to have any value at all. In that sense land value is the cause of the demand for land and not the reverse.

A piece of land which is completely inaccessible can have no value. A piece of land which is accessible does not have value merely upon that account. It must have some quality or qualities which render it

more profitable or more advantageous to occupy as compared with other land. If there were so many other pieces of land having just the same qualities that every one who wishes for it could have as much as he wanted, then no land possessing these qualities could have any value.

It is not correct to say that the value of land is due to the services rendered in relation to it and to nothing else. The diamond mines in South Africa are valuable because there is a world wide demand for diamonds, and only in a small degree to the services rendered in relation to them. If other highly productive diamond mines were discovered elsewhere, or if it became feasible to produce diamonds of the largest size and best quality cheaply by artificial means, the services rendered to the diamonds mines of South Africa would not suffice to keep the land at its present value. Indeed the mines might become quite worthless if the cost of producing artificial diamonds were less than that of mining diamonds.

Or again, a particular piece of land peculiarly suitable for growing cotton, let us say, has a certain value because with cotton in demand there is competition for the use of cotton-growing land. But let rayon or nylon produced elsewhere begin to take the place of cotton. The result will be a fall in the demand for cotton; and cotton-growing lands will cease to offer the same advantages to the producers of wealth. Although the particular piece of land in question has the same roads, railways, police protection and so on as it had before, its *land value* will fall. It may be said that there is a change in the 'market' but the introduction of this word into the proposition begs the whole question. The 'market' is, in this case, the demand for the particular product of the land, and not a service rendered to the land.—*Editor, LAND & LIBERTY.*

SHEFFIELD AS A MAGNET

SIR,—The *Manchester Guardian* recently gave an interesting account of Sheffield University's plan for expansion which is estimated to cost £6,000,000. A substantial part of this must be raised from the public if the University is to remain independent, and so, there is a vigorous campaign afoot to raise funds.

The Chancellor, Lord Harewood, has given £1,000 but the appeal is not directed to the big benefactor, or the wealthy individual alone; but 'with equal interest, and, it may be, *with even greater hope*, to the ordinary member of the public whose sons and daughters may share actively in the University's extended benefits'. Ex-students have been circularised and invited to covenant for a period of seven years, to pay a certain amount of their taxable income, thereby evading tax on that part. The people of the City of Sheffield, through the Lord Mayor, are considering a gift of £50,000.

Thus a programme of social betterment is launched. As usual, the raising of funds is one of the biggest problems, and it seems that the poorer type of person will contribute the greater part—the ratepayers, the professional ex-students, those who hope that their children may be able in the future to benefit by a higher education.

There is no doubt that should the project be successfully carried out, benefits will ensue to the people of Sheffield and district. Nearly half of the present students live at home, for two reasons. In the first place, a preference is given to Sheffield children by virtue of the fact that a certain number of scholarships is reserved for them alone. Secondly, a son or daughter living at home is not such an expense as one who has to travel a distance and reside in lodgings or a hostel. Obviously, although the benefit will be diffused throughout the country the greater part of it will be felt by parents living reasonably close to the University.

Sheffield, particularly, will become a more desirable place to live in. In other words people will pay more outright for building sites, or a little extra year by year. The measure of the desirability of this extended social service will be the increased value of sites. The ratepayers will thus pay landlords for the better educational facilities although collectively they offer £50,000 towards the cost, and individually they are expected to subscribe the greater part of the additional cost.

When one considers that Sheffield in the past has petitioned Parliament for power to shift the rating burden from producers to landlords, thereby exacting payment from the final recipients of social benefits, one wonders why the City Council offers its help by making a gift to landlords. Are the Sheffield wits less keen than the Sheffield blades that they cannot see the connection between better services, higher rates, dearer land?

Yours, etc.,

E. A. BRYAN.

WORKSHOP.