

# Asking the Right Land Question

B. W. B.

"No man can possibly have the right to fence in any part of the Earth's surface and to declare, against his fellow human beings, 'this is mine'."



WE live in a changing world in which nothing seems to shift more dramatically than the meaning of words. The word "democracy", for example, once implied only that ideal form of government defined by Abraham Lincoln. Nowadays the mention of a "People's Democratic Republic" inevitably poses the question of what form of tyranny its people are subjected to.

The word "Liberalism", once synonymous with freedom and *laissez-faire*, implying no interference with natural economic forces or the native aspirations of individuals, is now, to judge by the pronouncements of the Party's leaders, nothing but a half-baked form of socialism in which controls over trade, industry, wages and prices—to mention but a few—are accepted as the bread and butter of Liberal philosophy.

If you can't beat it, adulterate it, seems to be the new policy of those to whom any notion demanding freedom of the individual is such a dangerous menace as to be opposed at all costs.

The latest sufferer from this form of semantic warfare seems to be the crusade for reform associated with that evocative phrase "the Land Question".

It used to be straightforward. The land of the Earth—which includes all natural resources outside man himself—was here long before man arrived on the planet and is clearly not a fit subject for ownership by individuals. No man can possibly have the right to fence in any part of the Earth's surface and to declare, against his fellow human beings, "this is mine". No man has the slightest right to expect that others will respect such a claim in perpetuity, doffing their caps to his descendants and paying tribute, in

how it should be done; precisely how the right of man to his natural heritage should be re-established.

Judging from a new book on land policy\*, times have changed. The roots in morality that traditionally supplied the adrenalin to the Land Question have apparently all but withered. The Land Question is now conceived simply as a matter of betterment and compensation. Land, its value determined (so it is said) by the process of planning, is a "scarce resource" possessing "certain distinctive characteristics", and although there are some "equitable arguments" favouring recoupment of a "portion of community-created land value", any idea that the whole system of land tenure needs a moral re-think, any suggestion that the practice of paying land rents into private pockets is ethically indefensible, is way outside the author's thesis.

The question of land-value taxation is briefly considered but the author's lack of grasp is betrayed by his assertion that "the fundamental purpose of land-value taxation is the apprehension of capital gains."

Whether land should be taxed or not, he seems to suggest, depends solely on the expediency of raising taxes in that way compared with other tax devices. And he asserts that, despite for many years having been successfully employed in a number of countries throughout the world, a land-value tax "can be considered an impost, just as punitive, on total improvement and development."

After such warped assessments of land-value taxation the reader is a little surprised to find it included by the author among a group of "more realistic moderate reforms" claimed by their various advocates to be effective in dealing with the problems of betterment and worsenment. But it does not earn the author's commendation. As he sees it, "to recoup all betterment, the tax would have to be levied at a rate equivalent to the annual value of the whole of the increase in value occasioned by the improved circumstances." And since this rate would apply to the whole of existing use value as well this, he observes, apparently noting the unthinkable, would lead to the market value of land being reduced to zero.

The claim of the community to *all* land values, whether existing now or gained in the future, merits no discussion in this book. The limit of the author's philosophy concerning the Land Question is that betterment, being a community-created value, should be collected; but the proceeds should then be paid out to those whose landholdings suffered worsen-



the name of rent, for the concession to use such part of the plunder as he deigns to spare them.

At its epicentre the Land Question has always been a moral issue from which a myriad social and economic issues flowed. And the only real "question" was

\*Land Policy, John Ratcliffe, Hutchinson. Paperback £1.95.

ment. The fact that land-value taxation, besides securing for all the people the nature-given or community-created profits of land ownership, would automatically adjust to developments leading to betterment or worsenment is either not appreciated or is not considered relevant to Land Policy.

To be fair to Mr. Ratcliffe, his main interest lies in the field of planning and property development. He is concerned primarily about the unhappy relationship that currently exists between the Government and the professions. He recognises the importance of land—and of land taxation—in this field and he has no doubts about the inadequacies of the Community Land Act in meeting the desired objectives. But he is absorbed with the need for any solution to be permanent and proof against the vicissitudes of political change. The result is that, after juggling

with dynamite, his conclusion is a damp squib. His judgment is tamely to accept the present set-up and merely to advocate partnership between local authority, developer and the Government. The Community Land Act, he concludes dolefully, is now law and "it is imperative that it is made to work."

Perhaps the reader is misled by the title of this book into expecting something more profound; some more fundamental appraisal of the vital place of land in the social and economic life of the community. As it is, the book presents a useful discourse on the superficial problems of local government, planning and property development within the framework of the current conventional wisdom. But in the age-old controversy about the rights of man to the land he walks on, it hardly gets to first base.

## CAP THIS!

B. Raymond

A recent issue of *European Community*, which is published on behalf of the Commission of the European Communities, contained the following defence of the Common Agricultural Policy:

"Recent comments on the level of food prices in Britain and the effect of the common agricultural policy have somewhat exaggerated the impact of the policy on prices in the shops. Certain additional considerations may also be worth pointing out:

"a) British food prices are not generally higher than prices in other industrialised countries;

"b) with or without a common farm policy Britain would not be open house to world supplies; some protection would undoubtedly be applied to prevent dumping on the UK market, even without CAP;

"c) the farm-gate price of food represents roughly only half the price to the shopper;

"d) long-term agreements with food suppliers demand prices a good deal higher than the lowest prices on world markets;

"e) the advantages of stability in supplies and prices is not to be underestimated in a world whose growing population will in the long term greatly increase the need for food."

It will be observed that each of these "arguments" is negative in nature and is more by way of being an excuse rather than a valid point in favour of the CAP. How-

ever, it may be instructive to examine each of them briefly.

a) To say this is to say nothing at all. "Generally" and "other" evoke the questions "which prices?" and "which countries?"

The prices in other member countries will also be affected by the CAP and will of course be comparable with British prices (higher in fact, since Britain is still in the transitional stage). And many other industrialised countries have their own foolish dear-food policies—should we hanker after comparability with them?

b) That protection would still exist in Britain were she not an EEC member is not an argument for membership of a larger protectionist club. It merely demonstrates that the battle against protectionist interests must be constantly fought, whatever Britain's situation.

c) Is this suggesting that while the basic price goes up, all the other elements in the final consumer price should stay the same so that the overall effect on prices will be less significant? This is a fallacy, since the profit margins of wholesalers and retailers must be based upon their own outlay if they are to remain in business—prices are increased accordingly all along the line of production.

d) and e) Food, like any other commodity, is produced in response to the effective demand for it. The proposition that this necessitates inter-governmental

agreements with fixed prices is fallacious. A growing population with an effective demand will be fed efficiently if its demands are allowed to be registered on those markets where food can be most cheaply produced. When world resources are misdirected by the restriction of markets, everybody is the loser.

The Common Agricultural Policy is a deliberate dear-food policy instituted for political reasons. Its tools—target prices, external tariffs and intervention buying—*can only make food dearer* than it otherwise would be. Attempts to demonstrate that it does not do so show either an incredible naivety or downright dishonesty.

### CITIBANK CHIEF WARNS AGAINST PROTECTION

THE Chairman of Citicorp and Citibank, Mr. Walter Wriston, called for international trade to be as free as possible and cited Hong Kong as the freest market in the world, reports the Hong Kong Trade Development Council.

Mr. Wriston said that the political temptation to return to the jungle of nationalism and imposed quotas and controls and other protective devices, is a real and constantly growing threat.

The old notion that exports are good and imports are bad, is being replaced by reality said Mr. Wriston. "But the simple truth is that when it is agreed that we cut our imports we are increasing our cost to the consumer. We are inviting retaliation. The only way the world can sell more abroad is to buy more abroad."