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The New Decade

THIS challenging new decade is our testing time and opportunity. Real issues are crystallising with gathering momentum. Unless they are boldly tackled and solved society may be caught up in a maelstrom worse than anything this troubled century has known.

In Britain (and the same is broadly true in other lands) the price of land is soaring to peril point as we show on other pages. Already it is strangling towns, killing and maiming more people on the roads than Hitler's air raids ever did. It is pricing house ownership out of reach and, as a result, undermining independence, self-reliance and the very foundations of family life. Self-respecting men (who 25 years ago would have bought and cared for their own homes) are forced to be Council vassals. Mothers are obliged to go out to work. Neither knowing nor respecting private property and the rights of others, their undisciplined children are growing up in an atmosphere of gambling and T.V. violence. Truancy, hooliganism and vandalism is increasing—the new barbarians are already among us.

All this is as nothing compared to what will happen if the price of land continues its accelerating speculative spiral. If the time comes when businessmen can no longer pay the rents demanded for working space, and home seekers can no longer afford a scrap of land, the building industry will be brought to a halt. Immediately scores of ancillary industries will have to cut back or cease production. Men will be thrown out of work. Their forced idleness will affect men and women in the consumer industries. It has all happened before.

So far the flood waters have been dammed in part by inflation—which has enabled businessmen to offer extortionate rents in the knowledge that the burden would diminish in real terms as the value of money fell—and by rapid technological advance. The latter has meant that although land rent has been taking an ever-increasing slice of the national income, rising production has slightly outstripped the rising price of land. So men have kept their jobs and have even received a fraction of the benefits which modern production methods can provide.

The barriers erected by post-war politicians guided by purblind economists are useless. Unless the rising tide of land prices is halted the situation we envisage is inevitable.

WILL the Government recognise the danger signals in time? Will it take the only effective step which can avert disaster? Its present attitude is not reassuring. Vainly it is pinning its hopes on subsidies and similar measures. These are self-defeating. The object is to bring land purchase within reach; the result is to make land still dearer.

The taxation of land values is no longer merely desirable, or just a matter of social justice (if we may put it that way without being misunderstood); it is the urgent paramount need if our society is not to collapse. We in the Henry George movement have to persuade everyone who matters that this is so—manufacturers, traders, the local authorities, the political parties, all the great power groups, so that legislation is introduced. We must help even the landowners and the real estate profession to see that the choice is between a fever of land speculation ending in disaster or the restraining influence of an annual levy on land values. Whether this takes the form of a national tax or of a rate imposed by the local authorities (or both) the effect on the price of land—and hence on the whole economy—is the same.

We shall continue to call for both national and local taxes on land values. Our goal, as ever it has been, is still the collection of the full economic rent of land for the equal enjoyment of the whole of the society which by its presence and activities daily maintains and augments it. Tactically, however, the greatest chance of success may lie in a campaign to reform the present local taxation system.

ALREADY onerous, rates are increasing. So is public disquiet. This will deepen as revaluation approaches. It is due in 1963. This is our opportunity. The overwhelming majority of domestic ratepayers would benefit if rates

were levied on land values only. (There are some exceptions—occupiers of poorly developed properties standing on valuable land.) So would the majority of shopkeepers, manufacturers and other ratepayers. The local authorities' problems would be simplified and their independence increased. It would be a heyday for builders.

There is need for a continuous and concerted educational campaign, in the press and by other means, designed to win the support of the millions who stand to gain from tax-free occupation of buildings of every kind. With this object in view, the Rating Reform Campaign has been launched. It is described on another page.

THE danger within of land monopoly (and wrongful taxation) is matched by others without. No man is safe while hunger and poverty grips the greater part of mankind. The people of Asia, Africa, the Middle East, the Caribbean, Central and South America must be helped to help themselves. Millions of pounds and dollars have been poured out on schemes, desirable enough in themselves, but still the problem remains, perplexing and terrifying. More than common humanity, more than noble altruism, sheer self-preservation dictates that we should render effective aid.

Building schools and roads, draining malarial swamps, training technicians, doctors and nurses does little to increase the "backward" countries' ability to earn more, does nothing whatsoever to ensure an equitable distribution of the wealth produced there.

Charity, it is said, begins at home. In a very special sense that is true in this context. We in Britain (and our friends in the other "developed" countries) must remove every artificial obstacle which prevents Asians, Africans and others from selling their goods in our markets. Selfish

interests who scream for protection against shirts, shoes and gloves made in Hong Kong by men who have fled Communist tyranny must be defeated. We benefit ourselves and help our less fortunate brethren by accepting their goods. But more than this, we must show by example at home how to defeat land monopoly. Taxpayers in the aid-giving countries must insist that not one penny of their money be spent on schemes which merely enrich the land-owning element in the aid-receiving countries. Unless that is done, aid programmes will sharpen the contrast between the haves and the have-nots, and ripen the plums for the Communists to pick.

The Communist menace is real. So is the challenge to an economic competition. The West can defeat the first and win the second only by freeing the land and freeing trade.

IN Europe the danger is that economic autarchy may prevail. The non-Communist half is already divided into three trading areas—the Six, the Seven and the rest. These divisions must be removed. Trade barriers generate political tension, and a divided Europe is an invitation to Soviet aggrandisement. Moreover, tariff-ringed, inward-looking trading groups in one part of the world are an excuse and an example for setting up similar groups elsewhere. Modern transport can move goods swiftly and cheaply from one country to another—old-fashioned barriers must not be allowed to frustrate the cargo plane and the nuclear-powered ship in the 1960s.

The time has come for peace, brotherhood and a universal enjoyment of the wonders which man has wrested from the soil. From the blueprints Henry George drew up eighty years ago a new society must be built.

THE SOARING PRICE OF LAND

“Ridiculous”—“Spectacular”—“Astronomical” BUILDERS AND ESTATE AGENTS ARE ALARMED

MORE than anybody, builders should realise the terrible threat to industry and employment—indeed to the whole economic and social fabric of the nation—which the soaring price of land presents. Some of them are beginning to speak out forthrightly.

One is Mr. Peter Trench, director of the National Federation of Building Trades Employers. He told a recent conference of the Federation of Registered House Builders that the price of land for private enterprise building is “ridiculously high”. Building costs had been stabilised in 1959, and with improvements in methods they could be controlled to a considerable extent. This simply was not so with land. Generally land values were going to rise to impossible heights unless extra land was released for building. Development plans allot 15,000 acres a year for municipal and private housing; Mr. Trench believes that during the next 20 years annual requirements would be

nearer to 30,000 acres. If something were not done, the level of income required for house purchase was going to soar.

Similar reflections were offered by Mr. K. W. Bland, A.R.I.B.A., when he addressed a recent conference of the Town and Country Planning Association. Mr. Bland is staff architect to Wates Ltd. The vast majority who bought Wates houses before the war were people earning £3 to £4 a week, the sort of people who now earn between £600 and £800 a year. Today such people are virtually priced out of buying houses.

The economic cost of building land during the thirties was around 20 per cent of the all-in price of the finished house. “Today, land, except in remote places, costs a quarter or more of the total cost of the building.” As a result, even if he spends one quarter of his income on his house—the maximum permitted by the building societies—