

LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

Fifty-sixth Year—661-662

4 Great Smith Street, London, S.W.1.

June & July, 1949. 1s.

	PAGE		PAGE
"Blind Economic Forces"	60	A Conservative Land-Value Taxer	65
The State's Bottomless Purse	61	Italy's Approach to the Land Problem	66
Scottish Liberals Face Both Ways	62	Israel Could be a Model State	67
International Conference—Programme	63	Lessons of History—Reviewing Toynbee	68
A Conservative Free Trader	65	Cuttings and Comment	70

Fragmentary History

Readers abroad have asked questions about the statements made by Mr. Churchill when, on March 30, he addressed the Massachusetts Institute of Technology in Boston, claiming that the Liberal Government of 1906 arrived in power "with most of its aims already achieved" and that it was to the tasks of social reform and insurance that it addressed itself. He was proud, he said, to have been Lloyd George's lieutenant in this work.

That was surely a very fragmentary piece of history, omitting the most important episode in Mr. Churchill's political life; but then, it must be remembered, he was speaking in the Truman "New Deal" atmosphere which is suffused with the controls and the paternalism of the Welfare State. The Mr. Churchill of "land monopoly, the mother of all monopolies" fame modestly hid his light under a bushel. What had been happening in the intervening years until national insurance took the stage?

Campbell Bannerman's Thanks

If any investigator troubles to search contemporary newspaper reports he is likely to register astonishment at Mr. Churchill's reference to the government of 1906. However, Mr. Churchill, as an academician, may incline to the opinions of Sir Alfred Munnings, as a political word-painter he seems on this occasion to have outrivalled a Matisse. It is true that the subject of Old Age Pensions, already promised by the previous government, had been mentioned at the election, but any reader of the first speech made after the 1906 election by the Liberal leader, Sir Henry Campbell Bannerman is not likely to notice any such reference.

This speech shows clearly that the election had been fought on the question whether, on the one side, Free Trade, public economy and an extension of freedom, or, on the other side, the Chamberlain panacea of "Tariff Reform," was more to the people's true interest. The result was regarded first and foremost as a triumph for Free Trade, and secondly, as an opportunity for the extension, in Sir Henry's words, of the policy of "justice and liberty, the very antithesis of the privilege and monopoly" favoured by the previous administration. And among the measures to extend liberty were laws "to give access to the soil" in rural areas and in towns "to levy a rate on site values." "May I say in particular," remarks Sir Henry, "that this election has been an unusual triumph for my friend and colleague, Mr. Winston Churchill, who has spared no effort and missed no chance

in championing our cause against what seemed overwhelming odds."

"Speeches by the Yard"

The Mr. Churchill of to-day, the Protectionist advocate of Fabian policies, the leader of a party in which the landowner element has always been dominant, may now deprecate this liberationist tribute, but in 1906 and for years afterwards he did not fail to justify it. Easily available records of speeches he delivered in London, April, 1907, in Edinburgh, July, 1909, in Manchester, December, 1909, and in Dundee, 1912, all show that he was amply justified in saying in July, 1917, at Dundee, "I have made speeches to you by the yard on the taxation of land values and you know what a strong supporter I have always been of that policy." In his speech at Manchester he declared, "All the great municipal corporations throughout the land, the most Conservative as well as the most Liberal have petitioned Parliament in favour of the taxation of land values. Royal Commissions have explored the whole subject and reported in favour."

Churchill, Henry George and Cobden

Lloyd George's National Insurance Act was not introduced before May, 1911, that is more than a year after the battle with the House of Lords, *with land monopoly as the issue*, had been fought and won. It was on that question that the Liberals successfully appealed to the country in the two 1910 General Elections. Churchill's silence on the land campaign is of a piece with modern school books, which also suppress it and tell the pupils that it was the Lords' hostility to National Insurance which forced the Government to clip their wings with the Parliament Act. National Insurance had hardly been heard of before then. It was sprung upon the country by Lloyd George, and the historian is not wrong who marks the decline and fall of the Liberal party from the date of that escape into Fabianism.

The party forsook the great cause which Mr. Churchill so eloquently stated in his speech at Derby in January, 1910, a date which apparently is not now in his diary, when he said: "At the moment when their opponents were forging new chains of monopoly for national industry, Liberals were prepared to break the old chains which had long oppressed the national land. Land Reform and Free Trade stood together. They stood together with Henry George, with Richard Cobden, and

they stood together in the Liberal policy to-day." The story of what has happened to the Liberal party is tragic enough, but what can we say of Mr. Churchill? Where does he stand now?

Alternative to Tariffs

Writing of the "Budget Election" of 1910, Asquith remarks: "It was the land taxes, and perhaps still more the proposed valuation of land, which 'set the heather on fire.'" Quoting Joseph Chamberlain's declaration that the 1909 Budget "was the last effort of Free Trade finance to find a substitute for Tariff Reform," Asquith in his first speech on that Election campaign declared this was evidence of Conservative misgivings that the Budget did in fact provide "a substitute, an effective substitute—a destructive substitute for what is called Tariff Reform." Obviously, the question of State redistribution via "Social Services" never entered his mind (Spender's *Life of Lord Oxford and Asquith*, Vol. 1, pp. 255, 269). Any mention of Sickness Insurance, Spender remarks, "was of doubtful electioneering value."

The subsequent decline into Fabianism, by all Governments, is a direct outcome of the Liberal failure before the 1914 war to implement land-value taxation.

Mr. Attlee at Fault

Mr. Churchill chooses to ignore the main question which gave the Liberal Party its one-time prestige and which Philip Snowden again made the dominant issue under the Labour Government of 1931.

In that Government Mr. Attlee was Chancellor of the Duchy of Lancaster and deputy Leader. He had every opportunity of becoming acquainted with the principles of a measure designed to reduce rents, secure access to land and bring into the public treasury a proportion of all land value, whether the land is used or unused; a measure for which he declared his support on many occasions. He must know very well that the present Town and Country Planning Act achieves none of these things, and is not intended to achieve them. "The object of this Bill is not really that the purchaser should get the land any cheaper," declared the Lord Chancellor. Moreover, it is common knowledge that the anomalies, complexities and vagaries of the Bill have created so much confusion and doubt that Ministers themselves are undecided on its interpretation.

Yet, against this background of knowledge and experience, Mr. Attlee claimed in his speech at Glasgow, as reported in the *Manchester Guardian*, April 11, "We have passed and are operating the Town and Country Planning Act. We are getting for the people the values created by the people."

It is amazing that the Prime Minister lends himself to such a travesty of the provisions of the Act whose whole effect through its landlord compensation and its development charge is to penalise and hold up all development, already under the affliction of a rating and taxation system which it does nothing whatever to amend. The specious arguments used to defend or justify that legislation are among the sorriest exhibitions of Mr. Attlee and his Ministers.

Yeomen of England

"A free peasantry, their country's pride,
When once destroyed, may never be supplied."

Thus declared Oliver Goldsmith in his indignation at the results of the Enclosure Acts long before the policy of Enclosure was complete. [He was, of course, only

an amiable sentimentalist without training in economics and thus unable to see the great advantages when society is so arranged by clever economists that men depend upon the decisions of others.]

A meeting of Suffolk farmworkers, reported in the *East Anglian Daily Times* recently, reminds us of the up-to-date complexity now ruling the peasant's life. Resolutions were passed demanding a wage rise of 10s. per week, that this should operate at the age of 18 not 21, that taxes on overtime should be abolished, the rents of houses brought down to 12s. per week, that further privileges concerning rations should be granted farmworkers and some articles of clothing issued gratis.

At the same meeting an officer of the County Agricultural Committee attended to give a pep talk on production—with what response was not reported.

No doubt a peasant of Goldsmith's time would have been interested to learn how generous the magistrates have now become in some directions since they used to issue only occasionally a few blankets and sacks of coal. But what would he have said about taxes on his wages, or bringing rents *down* to 12s. per week! This simple peasant might have considered that some measure to reduce both rents and taxes and to leave him free would have been more to his advantage than pep talks and dependence on others.

Is Scrounging our National Game?

Such independent thoughts do not seem to cause very serious trouble among other professions. The farmers have approved financial arrangements to found a "Fighting Fund" of £1,000,000 reserve for their pressure group; the fishermen are bringing pressure to bear on the Food Ministry to increase the price paid them for herrings and white fish; the film producers are pressing the Board of Trade to provide work for them by making State films; the butchers are urging the Ministry of Food to fix meat prices so that their profits will increase in accordance with the present price of living, and to use dollars to import stock feedingstuffs; the smaller manufacturers are pressing for the allotment of increased capital equipment to get into line with the more highly organised groups, such as steel, electricity and chemicals; and even the musicians have been pressing the War Office to prevent army bands undercutting their rates. And one could give pages more of recent examples of energy expended in the same effort to lever riches by group pressure.

Can All Scrounge Together?

When Great Britain abandoned Free Trade and embarked on a policy of tariffs, quotas and marketing controls it must have seemed an excellent opportunity for those who could get in first on the game of getting money via politics; but since then the profession has become too crowded. Official statistics issued in February show that during the preceding year wages rose 4 per cent., but prices rose 5 per cent. The T.U.C. "supports" these statistics but implies that the State must do more in the way of reducing prices.

The Budget must have disillusioned them somewhat.

Improvements on the Free Market

Of course, if the Argentine Government would send cheap meat, the Canadian Government cheap wheat, and the U.S.A. Government allocate more dollars, the great scrounge might go on more easily. But those governments must also keep up the appearance of State-raised