

LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

Sixtieth Year—Nos. 710-11.

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

July-August, 1953. Price 1s.

Wasting Money and Food	71	An Analysis of Freedom	78
Labour's "Challenge to Britain"	72	Against but Voting for Purchase Tax	79
To Him that Hath	75	House of Lords Debate Local Taxation	81
Land Tenure in Tonga	76	English Farm Land Prices	83
Progress and Poverty—New Condensed Edition	77	Correspondence	83

RIVAL LAND POLICIES DEBATED

Recent statements by Sir Hartley Shawcross, Q.C., M.P., Attorney-General in the last Labour Administration, have led to a controversy in which leading protagonists have taken part. Speaking at Tolpuddle, July 19, Sir Hartley revealed again the cleavage within the Labour Party on the matter of land policy:—

"The nationalisation of land, whether it is of all land, which is at least logical, or of rented land, a curious proposal, would be immensely difficult to accomplish and would involve the country in crippling expense," said Sir Hartley. He continued: "More serious still, I cannot believe that the State would be an efficient landlord or manager of land. Nationalisation of the land, I am afraid, would create an enormous bureaucratic system which would disrupt our agriculture and cause a great deal of social and economic chaos. But that is not to say that nothing should be done . . . We should introduce a system of taxing land values which, without putting the State to the expense of paying compensation, would compel landowners to use their land to the best advantage."

Earlier in his speech, Sir Hartley said that he mistrusted the professional "know-alls" and highbrows (within the Labour Party) who believed themselves to be appointed by divine selection to control and order the lives of the rest of us.

Tribune, the Bevanite journal, foremost among the advocates of the nationalisation of rented agricultural land, July 24 issue, attacked Sir Hartley Shawcross for his Tolpuddle speech commenting that he chose to make these remarks for the benefit of "the class-born-to-rule—the landlords," and adding that the Central Landowners' Association could not have put the case against land nationalisation more succinctly. In default of any argument to support this extraordinary assertion, *Tribune* was at pains to omit any mention of Sir Hartley's call for the taxation of land values.

The Hostile Land Union

On the other hand, Mr. Charles Rhys, a former Chairman of the Land Union, a body established specifically to safeguard the interests of landowners and consistent opponents of land value taxation, joined issue with Sir Hartley in the following letter to *The Times*, July 21. He wrote:—

"It is of some comfort that a leading member of the Socialist Party in the person of Sir Hartley Shawcross at last recognises the impracticability of nationalisation of the

land as reported in your columns on July 20. But Sir Hartley Shawcross once again advances the theory of taxation of land values as an encouragement to agriculture. How a further tax on land leads to this is difficult to understand, but perhaps Sir Hartley Shawcross will produce his scheme in the near future.

"In my county of Carmarthenshire 80 per cent of the farmers are landowners, and they will doubtless await details of this new tax with interest, if not apprehension, coupled as it will be with the proposal to introduce "collective norms" per district, as outlined on page 16 of *Challenge to Britain* recently published by the Socialist Party.

"The land taxes of Mr. Lloyd George in 1910 were repealed in due course by their author as unworkable, while those of Mr. Snowden were withdrawn before coming into force."

Rejoinder from the United Committee

Response to Mr. Charles Rhys was given by Mr. A. W. Madsen, writing as Secretary of the United Committee for the Taxation of Land Values. It was published in *The Times*, July 27:—

"I agree with Mr. Charles Rhys, the former Chairman of the Land Union, that Sir Hartley Shawcross does right in opposing the nationalisation of the land. The proposition is not only impracticable, it is fundamentally unjust seeing that it would involve the payment of public money to landowners for values in land they have done nothing whatever to create—a payment that would correspondingly involve a heavy increase of taxation on the people as a whole whether as producers or as consumers. There could be no nationalisation of the land without at the same time nationalising all that stands on it in the way of buildings and other improvements, for there is nothing in the proposals of the Labour Party to indicate that they would distinguish between the land as such and the improvements thereon.

"The idea of nationalising only 'rented' agricultural land is particularly preposterous, for it means that all land now owner-occupied would never be rented at all; the fear that it would be nationalised would stop any such developments. These are only some of the readily seen objections to the Labour Party's proposals, besides the fact that there is no ground whatever for isolating agricultural land or 'rented' agricultural land for peculiar treatment. Nor is there a case for the State or the municipality enter-

ing into the possession and the management of land of any description whether urban or rural in order to promote its better use.

"That can alone be achieved by allowing to the individual landholder the complete freedom of enterprise subject to his paying to the community the economic rent that attaches to the land apart from improvements, and at the same time by remitting taxation that now bears on improvements and trade and industry. What scheme of taxation could be better devised in the interests of agriculture and every other enterprise than that which does not penalise the producer as such, by which no more is chargeable if more is produced by one's own efforts and by which no less is chargeable if the landholder allows his land to go into neglect? The encouragement to each to make the most of his opportunities would be abounding.

"Therein is the theory and the practice of the taxation of land values, and nowhere is that more clearly proved than by the experience of Denmark. It should interest both Mr. Rhys and the landholders in Carmarthenshire of whom he speaks that it is precisely the small working landowning peasants in that country that have been the driving force in accomplishing such application of land value taxation as Denmark most fortunately enjoys.

"I need not enter into controversy with Mr. Rhys with regard to the 'duties' that were imposed under the Lloyd George Act of 1910 seeing that these were in no wise the taxation of land values; and the reasons why the provisions of the Snowden Act of 1931 were withdrawn are so obviously political that opponents of land value taxation do not advantage their propaganda by hushing them up."

Sir Hartley is Emphatic

As we go to press there comes the report in the *London Evening Standard*, the *Liverpool Echo* and other papers of this further declaration by Sir Hartley Shawcross speaking in his constituency, St. Helens, July 30:—

"I am told," said Sir Hartley, "that one of these periodicals which pretend to support the Labour Party but which pursue policies which disrupt it, has made a bitter personal attack upon me. But, for my own part, I could not care less. You see, I am not eaten up with personal ambition, as some of my critics are, nor do I, because of failure elsewhere, have to strain in my conscience in order to build up a political career for myself, and so I am quite indifferent to what these frustrated malcontents may wish to say."

The question whether the Socialists should nationalise land was more important than any personal recriminations. He had always been "passionately convinced" that all the resources of the land should be made available to the nation. The question was how?

"The last Labour Government considered the problem and decided that nationalisation was impracticable. This was publicly stated. I do not recall that anyone resigned from the Labour Government because of that. And now the national executive of the Party has decided not to recommend the inclusion of proposals for nationalisation in the Party's programme. No one has resigned from the executive because of that. In explaining the argument against nationalisation, therefore, I have followed the policy to which the Party have hitherto adhered.

"Over 30 years ago, when some of my critics were squawking in their cradles, I, on behalf of what was then a left-wing section of the Labour Party, moved a resolution at the Party's annual conference in favour of the taxation

of land values. I have constantly advocated that policy ever since. It is hated by the Tories even more than nationalisation. Of course it is—many of the big land owners would be glad to be bought out at enormous expense to the State."

Building Subsidies Aggravate House Famine

Housing subsidies were severely criticised at the Annual Conference of the Building Societies' Association meeting at Scarborough in May. Mr. Hubert Newton, presiding, said: "Since 1950 we have seen more than enough of one of the evil social consequences of inadequate housing, the wave of crimes of certain types that are directly traceable to wretched living conditions and broken homes. Among the young this has become a sinister problem. I can think of no severer condemnation of the post-war ruinous subsidies to cure the housing shortage than the plain social consequences of their failure to achieve the desired end. This is a national question of primary importance; it ought not to be a Party question at all. The moral problem of citizenship which is involved really extends beyond housing."

Building costs, said Mr. Newton, still checked the resurgence of private building, and it might be that they would continue to do so while extravagance in Council housing schemes interfered with honest competition. If the volume of subsidised housing could be reduced there would be a better prospect of a drop in the high costs of building. Was it not possible now to exercise more discrimination and to put obstacles in the way of people occupying Council dwellings when they could afford to pay their way, even if they had to cut down on the consumption of some inessential goods?

Mr. Newton marred an otherwise excellent speech by suggesting that instead of subsidising housing, the Exchequer and the local authorities might "with very little risk" help the Building Societies' potential customers by granting limited financial assistance in the initial stage of ownership by guaranteeing at least a part of the down-payment needed before they can obtain a loan. We suggest that, whatever may be the advantages of such a scheme, it can scarcely be described as "honest competition." Nor is it the province of government, national or local, to provide either houses or down-payments for homes. Above all, the ethical code of behaviour which inhibits Building Societies from taking even "very little risks" with their investors' money should be observed as scrupulously by governments and municipalities. The government's duty in helping people to build their own homes is limited to removing every privilege and obstacle that frustrate fulfilment of this primeval instinct whether it be landlordism, building "rings," involuntary poverty, the present rating system, import restrictions on building materials, the licensing system or oppressive taxation. Anything more or less than that involves a failure of the government's duty to ensure equality before the law for all its citizens.

The present government, however, shows no sign at present of adopting Mr. Newton's suggestion or of heeding our homily, for on July 7 Mr. Macmillan, the Minister of Housing and Local Government, announced that the contributions towards the cost of housing paid by the Exchequer and by the local authorities would remain unchanged in respect of houses completed before June 30, 1954. The Secretary of State for Scotland, Mr. Stuart, announced a similar decision in respect of Scottish housing.