

technique for maintaining employment," which is so popular, we venture to suggest, because it has not yet had an opportunity of demonstrating its effectiveness in action on a large scale. "An even flow of investment" is to be maintained by the State through taxation, guaranteed loans "and other suitable methods," including "deliberate Government spending," apparently to an unlimited amount considering that Budgets need not be "balanced exactly" every year but only "over a period"—which, of course, may be left conveniently for the next party in power. This deliberate spending may take the form of subsidies to industries. At all events the guaranteed markets (otherwise subsidised prices) for agriculture are to be maintained and *ad hoc* grants are to be made for Colonial Development. At the same time taxation is to be reduced.

We wonder if there existed in the Middle Ages any superstition more tenacious than the modern belief that the ills of society can be cured by the simple method of passing the problems to those in authority and empowering them to spend as much of our money as they think fit!

As might be expected, this Conservative document regards "the principle of granting Preferences" as the "life-line of our Commonwealth," but there is a curious provision. "We are in no position to dismantle these defences without adequate promises of reductions in trade barriers by other nations." It is not usual to use a life-line as a bargaining counter. This section does not ring with quite the decided note one had anticipated.

The section on Monopoly is perhaps the most dubious. If the President of the Board of Trade thinks fit he may refer an allegation of restrictive practices to a statutory commission. The commission need not, apparently, make any report and even if the allegation is proved it may be ruled not against the public interest. Even if it was proved to be against the public interest, the most the Commission could do would be to make recommendations, and it is implied that the most the Government would do would be to impose a maximum price. We imagine this section will be read with considerable amusement by some leaders of Big Business.

The writers of this pamphlet appear to suppose that some restrictive trading practices of combines or trade associations are the only forms of monopoly that can occur. Apart from countless other forms of monopoly it does not seem to have occurred to them that any review

of restrictive practices which omits restriction on the use of land is about as effective as turning a stirrup pump on an erupting volcano. "It is quite true that the land monopoly is not the only monopoly which exists, but it is by far the greatest of monopolies—it is a perpetual monopoly, and it is the mother of all other forms of monopoly." Thus spoke Mr. Churchill in 1909. One must presume he believed what he exhorted the whole of the electorate to believe. Is it possible that the opinion of any normal person could have reversed itself to such an extent as to coincide with the tone and proposals of this latest declaration of the Party he now leads? If so, the mind of a politician is indeed a subject for the investigator of morbid psychology.

We cannot believe that it could have been the object of the writer of this pamphlet to provide anything of an alternative to Socialism. Apart from the preamble there is no reference anywhere to fundamental economic law or abstract principle. The only explanation of its object which appears likely is that it is an attempt to capture the mildly Socialistic voter; and it is significant that the *Manchester Guardian* gives it a qualified blessing as "a credit to the progressive spirit" of Conservative leaders.

It would, of course, be easy to show the inherent affinity and parallel development of Socialist and Conservative principles; but no political group is uniform in its components and it is inconceivable that this industrial policy could meet with the approval of such courageous individualists as Sir William Darling, for example. Although on occasions he has been almost deserted by his party when he has spoken against specious and popular Socialist measures in the House we may be certain that many others would have supported him had they dared. The true controversy remains always the question of liberty versus authority and on this subject the present party alignments do not correspond with the real divisions. It is impossible to imagine philosophical Conservatives allowing the declarations of this policy to pass unchallenged—if not publicly then in committee. If this pamphlet evokes discussion within the party it may serve a useful purpose. Before the Disraeli-Chamberlain paternalism of the Conservative Party there was the Pitt-Peel struggle against monopoly. Controversy within that party has in the past led to some of the best administrations in our history.

F. D. P.

TOWN PLANNING AND THE PRICE OF LAND

The Town and Country Planning Bill, as amended, provides for three different standards of the price payable for land which is compulsorily acquired by any Government Department or local or public authority. The standard depends on the date on which the "notice to treat" is served upon the owner where land is being acquired. We make this classification.

(a) If the "notice to treat" is served before the passing of the Act and completion of purchase takes place later, the price is assessed by reference to the prices current on 31st March, 1939. There is no deduction in respect of "development value," nor has the owner any claim upon the £300,000,000 fund placed at the disposal of owners whose land is depreciated in value, under other provisions of the Bill [which, of course, do not apply in this case.]

(b) If the "notice to treat" is served after the passing of the Act, but before the date ("the appointed day") on which the Act takes effect, the price will be the current market value, as on 7th January, 1947.

(c) If the "notice to treat" is served on or after the "appointed day," the price will be the current market value at the time of acquisition.

"Current market value" in cases (b) and (c) is the value of the then "existing use" of the land, that is to say with the "development value" removed, of which, under the Bill, the State becomes possessed (providing the £300,000,000 compensation for sharing out amongst the landowners who are thus dispossessed). The price payable for the land will be further reduced by supposing the land to be subject to a "notional" lease which terminates on 1st January, 1954, the stated object being to avoid payment for the special scarcity value attaching to immediate or early vacant possession. This restriction will not, however, apply in the case of agricultural land and rent-restricted property. The owner whose land is acquired on the basis of its existing use retains the right to his share in the £300,000,000 compensation fund, unless it has been paid to him already, previous to the compulsory

purchase of the land. In either event the "development value" of which he may be deprived, by having to accept no more than the price of the "existing use," will be wholly or partly made up to him out of that fund.

It is apparently anticipated that an interval will elapse between the passing and the enforcement of the Act, requiring the special provision that the purchase price of land acquired during that interval shall be referable to values current on 7th January, 1947. That date, as it happens, coincides with the provisions for assessing the "development values" on the basis of which the land owners who are entitled to it will receive their allotment of the £300,000,000 compensation fund.

Other conceptions of value arise when the time comes for the Central Land Board to impose its development charge as the price of permission to develop. What a picture is presented of confliction and complexity, with valuations to be made on this date and that, for this or that purpose, and subject to all sorts of assumptions and hypotheses varying according to the circumstances. Assessors and arbitrators will not easily thread their way through this mess and maze. The Bill is an administrative monstrosity and the doom is also upon it for the social and financial wickedness it would perpetrate.

As originally drawn, the Bill provided for the 1939 current values of land as the basis of the price of land acquired for public purposes. This was to have come to an end in 1949 and it is now abolished. The new basis will entail a considerably increased expenditure of public funds in landlord compensation, and there will have to be revised estimates of the costs which were already immense—for example, the £600,000,000 for the blitzed and blighted areas, the "New Towns" at £19,000,000 apiece, the extensive projects in the Agriculture Bill (the provisions against restricting the price of agricultural land is highly significant), and the whole gamut of land purchase schemes for housing, schools, open spaces and the rest. The 1939 value was itself a monopoly value and operating upon it the Government has paid or caused local authorities to pay prices amounting in total to a fabulous sum (and corresponding addition to the public debt) for land which for the most part, despite its high value, was rated at a nominal figure or not rated at all. Every public land purchase robs the community of its rightful revenue which is the value of land and compels the resort to ever more taxation on industry and its earnings. And it is this iniquitous and disastrous policy which the Government deliberately proceeds to carry on at a higher level.

"How far, O rich, do you extend your senseless avarice? Do you intend to be the sole inhabitants of the earth? Why do you drive out the fellow sharers of nature and claim it all for yourselves? The earth was made for all, rich and poor, in common."—Pope St. Ambrose (A.D. 340-397).

1s. 6d. WHAT'S WRONG WITH TAXATION? By Judge Jackson H. Ralston.

6d. BACK TO THE LAND. By Dr. Thomas Nulty, Bishop of Meath.

6d. LAND VALUE TAXATION IN PRACTICE. By A. W. Madsen, B.Sc.

6d. LIGHT ON THE LAND QUESTION. A frank inquiry, in conversational styles, into the Land Value Policy. By an eminent London journalist.

6d. KARL MARX'S THEORIES OF SURPLUS VALUE AND LAND RENT. By F. C. R. Douglas, M.A.

6d. THE PROBLEM OF EMPLOYMENT. BEVERIDGE FAILS TO SOLVE IT. WHAT WILL?

2d. HOW THE ENGLISH PEOPLE BECAME LANDLESS. And how to Regain the Land.

MR. DALTON'S HALTING STATEMENT

In the Second Reading debate on the Finance Bill, May 19th, the question of the Rating of Land Values was raised by Mr. H. G. McGhee and Mr. R. R. Stokes, and the Chancellor of the Exchequer made a reply.

Mr. H. G. MCGHEE (Labour, Penistone): Last year, the Chancellor of the Exchequer referred to the possibility of rating land values or introducing a tax on land values, and promised that he would consider the suggestion. . . . Many local authorities, since he made that statement, have asked for powers to enable them to rate land values. . . . The policy on this issue has been clearly stated for many years past. In 1936 we came down definitely for a policy of a rating of land values, and we made it clear to the country that we would implement our promise. I hope that the Chancellor will add to the scheme of block grants which he announced in his speech at Bishop Auckland yesterday, his intention to carry the policy of relieving the local authorities further in this direction. . . . I suggest that by enabling local authorities to adopt land value rating would be a lever to drive owners of undeveloped land and dilapidated property to redevelop. It would ease the burden of rates for private enterprise shopkeepers and the great masses of the people in this country who are living in highly rented and rated homes. I ask the Chancellor for a clear and straightforward declaration, and a specific pledge that in the coming Session we are to have some effort made to enable authorities to collect this revenue which lies ripe in their hands.

Mr. R. R. STOKES (Labour, Ipswich): . . . I ask the Chancellor why he does not consider introducing a comprehensive levy on site values for central revenue purposes. He is constantly in need of new revenue, and I cannot understand why he does not emulate the good example of Lord Snowden who actually got a Measure on to the Statute Book. That Measure, owing to the scurrilous attitude of the Tories opposite, was removed, and we have nothing like it to-day. . . . The Chancellor himself said he had not got the staff. I would remind the House that in the Town and Country Planning Bill it is contemplated spending £1 million a year for five years on staff to make what I consider to be a completely bogus valuation. When they have done that, what are they going to do? Are they going to collect revenue? They are going to pay out £300 million—not get it in.

THE CHANCELLOR OF THE EXCHEQUER (Mr. Dalton): . . . Several of my hon. Friends have referred again to the rating of land values. I made the Government position quite clear on that subject a year ago. There will be legislation some time. We cannot tell exactly when, but within the life of this historic and vital Parliament, it is probable that legislation will be brought in dealing with various matters relevant to valuation, rating, and kindred topics. There will naturally be a place for discussion of the topics raised by my two hon. Friends, but this is primarily a responsibility of my right hon. Friend the Minister of Health. It would be proper I think if my right hon. Friends entered into discussions with me on this matter. I would be most responsive, most interested. I cannot say in advance, what line he will take, but on the broad picture painted last year such a proposal might fit into the general pattern of a report on the rating system. It cannot belong to the Finance Bill because we are not going to embark at this stage on a national valuation for national taxation on land values. But it does not exclude the possibility of such local authorities as wish to do so, considering matters in relation to land values within their areas. I cannot go further than that, but I hope that what I have said will not be thought discouraging.

[The Chancellor displays great skill as a spinner of words. He merely repeats the obscurity in which he has previously shrouded this matter. No legislation is promised nor are the intentions of the Government in any way indicated. With his multitude of ambiguities and reservations, Mr. Dalton allows himself—and the Government—plenty of escape from making any pledges at all. Some time, and perhaps, all depending on what it may be possible to fit into other schemes yet to be evolved, it is probable—but why go on? A not discouraging statement? It is better characterised as a masterpiece of prevarication.]