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	PAGE		PAGE
Town Planning and Land Prices	38	China Surveyed	43
Mr. Dalton on Land Value Rating	39	Education for Citizenship	45
The World Wheat Muddle	40	Land Tenure in Hong Kong	46
Freedom Crushed in Czecho-Slovakia	42	Hon. P. J. O'Regan	46

PATHWAY TO COALITION

The masses who acclaimed the Munich Agreement with such intoxicated demonstrations seem never to have quite recovered from their morning-after reactions. As a consequence the Conservative Party is still regarded with widespread distrust. Nevertheless, as time goes on and the stream of dollars runs out; as new shackles of Statism are riveted upon us even as we approach the catastrophe, an increasing number of citizens of the not-worth-a-cuss classes might be expected to give more serious attention to Conservative philosophy than hitherto. There is something in quality, after all. And when it comes to class exclusiveness no Conservative politician could be more exclusive than Mr. Shinwell. For these reasons the recent statement of the Conservative Party's industrial policy, entitled *The Industrial Charter*, deserves examination.

The feature of this document which has attracted most comment seems to be the intention to maintain the nationalisation of the Bank of England and the coal industry, but since the immediate de-nationalisation of such industries presenting so much difficulty in lasting circumstances, too much stress might be laid on this section as an indication of the general drift. The main principles, so far as they can be elucidated, and the pervading tone of the document, we think, are of more importance. In passing, however, it is noteworthy to remark that although the Party is "opposed to nationalisation in principle," it accepts the *fait accompli* with surprising equanimity and does not propose to restore even previous conditions of freedom to the Liverpool Cotton Market, Road Transport or Civil Aviation. It is firmly opposed only to nationalisation of the iron and steel industry, well known to be already organised as a private monopoly.

In the preamble to this *Charter* we read that, in opposition to the present regime of "control and regimentation," the Party would "give the people opportunities." "Justice is found where there is equality of opportunity" and "justice should inspire all industrial policy." It offers "fair competition . . . and protection from restrictive practices" and proposes "to remove as far as lies within human power the fearful dread of enforced idleness." Such words raise hopes. If the touchstones of justice is to be applied to economic activity at the foundations what great and beneficent revolutions might be wrought in society! Men tend to think more objectively when their complacency is upset, and the Conservative Party has no excuse for complacency at the moment.

But even in the preamble "the need for central direction" of economic activity is assumed, without explana-

tion, and the Conservative State, "like a watchful parent," would even extend those measures of coercive paternalism already in force. Without any examination of the essential conditions of human existence and society it is assumed that justice, with simple charity to the helpless, is not enough. In home production, but especially in overseas trade, "there must be strong central guidance" by a Minister "charged with the duty of surveying our national resources" and deciding "all questions concerning our national resources and how they can be best used." He will, in fact, be the same familiar Big Chief of the Economic General Staff whom we meet in all the Leftist blue prints and although this Charter is careful to avoid emphasising his coercive powers it is obvious that his Ministry could not possibly function without such powers and that they would have to be exerted in much the same way as those of a Commissar, Gauleiter or Planner. The only clear distinction of note is that each industry would be left to work out its own bye-laws implementing the official decrees. It is also stressed that the Minister would consult with a multitude of committees representing industries, trades unions and what might be called "the special interests concerned." It is difficult to believe that this in practice could be very different from the present conditions under a Labour Government. Big Business, one suspects, might have a more direct influence than at present, but Big Business has shown itself so adaptable to our drift-Socialism that even this is doubtful. It is probably true, as the document claims, that the corporate state method would somewhat reduce the number of bureaucrats, but it would render even more impossible the provisions regarding fair competition and protection from restrictive practices which the Party promises. Conservative policy would in broad outline conform to the pattern with which we are so familiar: industry would be dominated by the party in power; the party in power would be dominated by the most powerful influences within it; all would be dominated to greater or lesser extent by changing circumstances, and to meet these circumstances expedients would be continually changed.

On specific questions, such as taxation and production, this document states—just as the Government admits—that the heavy taxation as at present levied is "a serious drag on greater effort." And, just like the Government, the Conservative Party has no real solution to offer. It, of course, supports the present method of supplementing revenue by borrowing from the people, euphemised as "The National Savings Movement." On Employment Policy its proposals are based on the familiar "modern

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