

Conference Papers

REVIEWED BY JULIA BASTIAN

Below are further summaries of Conference Papers presented at the Twelfth International Conference on Land-Value Taxation and Free Trade, held at Caswell Bay, South Wales, September 8th-14th, 1968.

Speculation, Urban Renewal and Land-Value Taxes

BY MARY RAWSON

THE PUBLIC INTEREST in land varies from community to community and is expressed in various ways. Miss Mary Rawson's own interest in land is deep and analytical. Her paper illustrates the range of community interest in land, from complete state ownership, as in the USSR, to conditions where all land is in private ownership, such as in Venezuela, for example, where three per cent of the land-holders own 90 per cent of the land.

Between these two extremes lies the land system operating in Canada. Here there is some outright public ownership in every province, some taxes on land, some zoning and use by-laws, and various regulations mainly of a negative character. But the allocation of land between competing users is still controlled by the market mechanism.

Observing the land mix and land waste in and around Canadian cities, it is clear to Miss Rawson that the land market is far from perfect and that town planning is necessary to keep a balance. To retain some freedom in land use for the individual developer it is more than ever necessary to eliminate rewards for land speculation. One way of achieving this and at the same time asserting the public interest in land, is to use tax pressure, which greatly benefits the quality of urban growth.

By and large, the network of sites for public use provides the framework within which private developers can operate. Municipal planning, with its many restrictions, denying domestic development in this area, or high rise building in that, is negative in its approach, so that it falls to the thousands of individual private land owners to decide positively what shall be built, where it shall be built, and when. It is they, more than the town planner, who finally decide on land use.

The Fortunes of Free Trade in Britain

BY ROY DOUGLAS

THERE were many ups and downs between the free trade victory of 1846 and the protectionist victory of 1931-32 and this period is examined by Dr. Roy Douglas in his paper.

Over the centuries hundreds of laws that operated against trade had found their way on to the statute book,

including the notorious Corn Laws, and with the growth of liberal ideas, a movement was formed to campaign for free trade. However, it was the starvation that followed the failure of the Irish potato crop in 1845 rather than argument that finally brought about the repeal of the hated Corn Laws. In 1853 and 1860 tariffs were reduced further so that Britain became virtually a free trade nation.

The effect of free trade was not, as some had predicted, the ruin of British agriculture. In fact, from 1846 to 1876 farming prospered and free trade came to be accepted without comment by nearly everyone.

It was not until the Boer War that free trade was curbed, initially to raise revenue for the war rather than to protect British goods. However, the Conservative government became gradually more protectionist. Free traders, both Liberal and Conservative, were joining the Free Trade Union (the present Free Trade League), and free trade versus protection became the most critical issue during the 1906 election, with the Liberals sweeping home on a free trade policy with a huge majority.

In 1915 the McKenna Duties were introduced as a war-time measure by the coalition government, and after the war, Sir Austen Chamberlain, the new Chancellor, repealed the McKenna Duties on Empire goods only, thus establishing a system of Imperial Preference without applying new taxation. Two years later a heavy tax was planted on all goods produced by what were termed "key industries."

In 1924 a Labour government largely restored Britain to her free trade position, but tariffs were introduced the following year by the Conservatives.

The National government formed in 1931 applied more tariffs and by 1932 free trade had been virtually murdered without any straight issue being put to the electorate. Viscount Samuel predicted that "if goods cannot cross international frontiers freely, then armies will," and was later proved right.

In the aftermath of a second world war there has been growing recognition of the correctness of the free trade policy. GATT was set up in 1947 to reduce tariffs and EFTA followed thirteen years later to establish free trade between a number of European countries. But there is still far to go.

"What is urgently needed now," says Dr. Douglas in his summing up, "is a serious *corpus* of academic work by free traders that will provide the intellectual leadership for the future."