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## ANSWERING THE SOCIALISTS

AFTER the Nationwide - Property - Owning - Democracy gesture of the Conservative Party comes the *Ownership for All* leaflet of the Liberal Party Organisation, published in readiness for the annual assembly of the Party. This is a revival, with important modifications, of proposals originally issued in 1938 and reviewed in these columns in May of that year; and the new leaflet has for sub-title, "The Liberal Answer to Socialism."

Human nature revolts at the disparity of economic power in our society and although habit reconciles most men to the official palliative of taking from the people and handing out again to the people, the system is not satisfying. Every reflective person must know that this artificial redistribution does not touch the cause of the disparity. It is encouraging, therefore, to notice political organisations directing attention to the subject, especially when they appear to recognise its relation to the drift towards State monopoly. In examining any of their proposals, however, we must not forget that similar appeals have formed part of the stock-in-trade of politicians since Tudor times and, indeed, since politics was invented. Yet so little progress has been made that arbitrary State redistribution is applied to an ever-increasing extent, and such redistribution is evidence that the politicians have found no radical solution.

It is disappointing to find that the Liberal Party would leave it to officialdom "to enquire into the operations of monopoly" and to break up amalgamations "unduly" controlling the production and sale of any commodity. "Inevitable" monopolies are to be placed under official control or ownership—under what terms is left unspecified. Trade associations are to be forbidden to fix prices, etc., "without permission of the Board of Trade." If these proposals are reduced to their essential meaning, as distinct from what partisans may think, or hope, or imagine they mean, they amount to little more than passing the problem on to official bodies for them to solve.

This is not an answer to Socialism, and it is not easy to understand how in these points the Liberal solution differs from what the Conservative or Labour Parties might do. This is the more remarkable because the present leaflet omits reference to those parts of the original proposals which specifically condemned the tariffs, compulsory marketing schemes and other interferences with free production and exchange set up by the Socialist and Conservative-Socialist Governments of 1929 and 1931.

If the Liberal Party has now repudiated its previous

arguments, which appeared to be supported by convincing evidence and sound argument, it should at least tell us why. Failing explanation, readers of both documents might suspect that the new appeal strives to exploit prevailing opinion, or placate special interests, rather than rectify injustice. It is difficult to see how the Liberal Party could gain in a contest where more powerful organisations are so far ahead.

Politicians seem hopelessly unoriginal. They are always imitating each other. None seems to realise the practical advantage any party would gain if its members could really decide what they wanted. Failing the support of very powerful sectional interests a party must have the strength of clear ideas. When the Liberal Party was returned with a strong majority in 1880 its jubilant supporters assumed that a long period of power lay before it. One of its shrewdest leaders, however, knowing its intellectual weakness, remarked, "We shall need great schools of political thought before we can make sure of powerful parties." And he was justified by the event.

The value of any proposal to reform the present disparity of wealth must be judged by the extent to which it rectifies the distribution of wealth at the source; recognising that labour, applied by hand or brain, directly or indirectly, to land or to products derived from land, is the source of all wealth and the only natural justification for ownership. In primitive societies, where economic processes are simple, this principle is understood and although there is no uniformity in the distribution of wealth such disparity that occurs is no greater than the natural disparity of individual power. The untutored "savage" would laugh at the village politician who assured him that it was "necessary for his own good" that restrictions should be placed upon his working directly, or saving or exchanging according to his own intelligence and at his own risk. If armed men raided his granary, forced him to pay a rake-off for everything he exchanged or produced and levied a toll for their benefit upon every piece of ground he used—the untutored savage would have no option unless he could escape to other land. But he would not waste his time in thinking out "isms" to justify his oppressors for what he could see was straightforward plunder. In our complex society we keep a check on direct and violent plunder by private persons. If we would seek honestly to rectify the maldistribution of wealth we must, therefore, discover and remove those methods of legalised plunder, either by governments or private persons operating under govern-

ment protection, which allow some to profit at the expense of others.

It is remarkable that the Liberal Party, in the leaflet under review, should have hinted at the most fundamental and far-reaching of the prevailing methods of legalised plunder, and also at the remedy which, if applied to the full, would render almost all the other proposals of the leaflet unnecessary.

Under a section entitled "Home Ownership" it is proposed to "Amend the De-rating Act of 1929; transfer an increasing proportion of the burden of local rates from buildings to site values and derate improvements." The secondary place to which this proposal is relegated suggests that some Liberal leaders are frightened of applying the principle too logically. It would indeed disrupt the rest of the leaflet's proposals like an atomic bomb! It would forbid officialdom to levy any of the present taxes or tolls upon production or enterprise, wages or salaries, or the saving and risking of capital. It would acknowledge that the true and just source of all public expenditure is the value (or site value) of land, which is as surely the property of the community that creates it as the wealth, whether for consumption or capital, is the property of the occupier who produces it. If this principle is sound for

local government so also is it sound for national government. Here in land monopoly is to be found the prime source of the legalised plunder which flourishes in our society. To reform it is not the only measure needed to rectify the present disparity of wealth; but it is by far the most important because land monopoly can nullify all other measures of economic redress. To apply this reform vigorously would bring toppling down all those vast creations of economic privilege that dominate our lives and politics and foster ideas of State monopoly more drastic than those we suffer at present.

It is to be hoped that the Liberal Party—or any other Party with vision and courage—will see the urgency of a reform so profound in its effects and so tremendous in its extent that it could reverse the present trend of political thought. Perhaps we have not much time. Mr. R. Palme Dutt, Vice-Chairman of the British Communist Party, declared the other day. "As surely as the British people have begun to move from the old Conservative and Liberal Parties to Socialism and the Labour Party, no less surely they will turn to Communism, which is the logical and consistent expression of Socialism and the Labour movement." And how many of Mr. Dutt's opponents feel this is true!

F. D. P.

## TOWN PLANNING—FULFILMENT OR FRUSTRATION?

*Statement supplied to an American journalist who sought information on British Town Planning legislation.*

IN the course of the past forty years the British Parliament has adopted much legislation with the object of controlling urban development and growth. A further chapter has been added by the comprehensive and all-embracing Town and Country Planning Act, 1947 (10 & 11 Geo. 6, Ch. 51) which at the same time consolidates a whole code of laws. The numerous Acts passed in the previous years, the one repealing or amending the other, had successively extended the scope of the planning orders, requiring the preparation of ever new blue prints which made idealistic pictures of things as they should be. But none could remove the shadow of high-priced land which overlay all; and the troublesome problem of "compensation and betterment," which the plans themselves presented by condemning certain areas to certain uses whereby some owners would be damnified and others benefited, was never solved.

Those Town Plans, elaborated at the cost of so much time and trouble, litter the desks and fill the pigeon holes of ministerial and municipal departments, but no *Planned Town* has ever materialised. The plans did not or could not take practical shape and the officially-given reason was that there was not sufficient compulsion behind them; moreover, the land question which was so refractory would have to be tackled on much bolder lines. The result is this new Act, which creates new planning authorities headed by a Central Land Board armed with extraordinarily drastic powers, and which compromises with the landed interests by placing vast sums of public money in their hands to buy them off.

The Act is a massive document of 120 Sections, subdivided into 405 Sub-sections, supplemented by 11 Schedules and is to be followed by hosts of the necessary operative rules, regulations and orders issued by dictate of the responsible Minister. It will be sufficient to

examine and judge the main provisions, but first of all consideration should be given to certain essential matters which this legislation has completely ignored.

When the earliest of those Planning Acts was in passage, the Housing and Town Planning Act, 1909, Prime Minister Asquith, whose Liberal administration was responsible for it, said at Birmingham on June 19th, 1908: "I agree with those who think that the necessary accompaniment is a complete reconstruction of our valuation and rating system." How long ago! Even now that system is unreformed. Nay, it has been rendered still more hurtful and inequitable by intervening legislation favouring special interests, notably by the Churchill 1929 "Derating Act," which exempted all agricultural land, no matter how valuable, from local taxation, and gave three-quarter relief to manufacturing establishments. I will digress too much if I dwell on the social effects of that measure; any economic student should be able to give instruction in what happens when tax burdens are taken off land.

An explanation of the British rating (local taxation) system will be helpful, seeing that it has such an intimate connection with the problems which the Planners seek to solve by their enforcements. Noting that national taxation on real property (via income tax and death duties) has much the same incidence, apart from the question of who pays, let us look at our "rates," as we call them—namely, the taxes which are levied by the local authorities upon the use of land including buildings and improvements.

In our assessments of the "rateable value," we take as the basis or standard the rent being paid for the property, land and buildings lumped together, or the rent which it would command if let year by year *in its existing state*. These twin conditions cause all vacant land, however valuable, to be quit of both assessment and tax. On the other hand, the better the improvement, the higher is the tax. The rates being payable by the