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## EDITORIAL

### “A Reform Long Overdue”

THE once great Liberal Party, after many years in the doldrums, has been riding an incoming tide lately. After increasing its vote at a number of by-elections, the Party in February won its first by-election victory in 29 years, when Captain Mark Bonham-Carter was returned for the Torrington division of Devonshire. The party is still poor and small—it has only 6 M.P.s—but it is gaining ground steadily all the time and attracting enthusiastic support, particularly from the younger people who believe in and are prepared to work for its triumphant future. The slump in the Tories' fortunes, and the Labour Party's inability to increase its following, justifies their confidence. Political commentators offer conflicting explanations (largely coloured, one suspects, by prejudice or wishful thinking) to account for present political trends. The suggestion that much of the new support is a protest vote against the other two parties, rather than a vote for liberalism, contains more than a grain of truth.

If the Liberals are to deserve and win popular support they must offer a radical, distinctive policy. Both their opponents appeal to sectional interests, pursuing policies inimical to personal freedom, private property, free enterprise, production and trade. Diametrically opposed to these policies are land-value taxation and free trade. These vitally needed reforms would destroy the very basis of sectional privilege and the manifold evils which flow therefrom. They would promote what everybody (aside from the dog-in-the-manger monopolist) has at heart. These two policies alone in the economic field embody the spirit and philosophy of liberalism. They have always had some place in the Liberal Party's programme but for too long they have been obscured by other (sometimes conflicting) measures. Especially has this been so with the taxation of land values. Now is the time for Liberals to restore this militant, fundamental policy for economic freedom and justice to its rightful place at the head of the programme. That seems to be the purpose—and should

be the effect—of a splendid resolution which is to be moved at the Party's annual assembly at Torquay in September. Tabled by the Executive Committee, it is to be moved by Mr. John Walker, the deputy chairman of the Yorkshire Liberal Federation, and prospective candidate for Sowerby. It is in the following terms :—

“This assembly, recognising that land values continue to increase unchecked and untaxed and that the bad old system of rating has been very much worsened by Conservative and Labour measures before and since the war :

Therefore reaffirms its support for the Taxation and Rating of Land Values, a reform long overdue and much needed at the present time.

It declares :—

- (1) that the new tax should enable significant reductions to be made in existing tax impositions which rob the citizen of the fruit of his labour ;
- (2) that the present complicated and absurd system of local rating should be swept away and replaced by a rate based upon site values, so freeing building and improvements from burdens that discourage enterprise and obstruct housing development ;
- (3) that the tax and rate together would enable the public to reap the benefits derived from land values created by the community.”

The adoption of this resolution, coming as it does from the Executive, is virtually certain. It flashes a warning light to the land monopolists. Within the Party, newcomers and those whose knowledge is a little rusty are likely to set about learning all they can of it. If the Liberals go out to the people—as they did half a century ago—and preach that land values are public property, unconsciously created by the whole community, and labour values are private property which should be tax-exempt, they will gain converts from every strata of society. They have but to grasp and apply the torch of

economic freedom to light a blaze. People are ready wait for a great land values campaign. Nationalisation has been tried and found wanting. It enjoys little popular support. Tory freedom has been exposed as a mockery and a sham. The Communists are biding their time, assured of ultimate success if only the choice can be restricted to private monopoly capitalism or state monopoly capitalism. There remains this one untried alternative—a really free competitive capitalism based on land-value taxation and free trade.

The land-value taxation resolution derives additional importance from being the only one put forward by the Executive that deals with economic policy. Their other resolutions invite young people to join the Party, call for electoral reform, approve the proposals recently formulated by the Liberal Education Committee, and reaffirm the Party's policy of legislative devolution for Wales.

The other eight matters likely to be discussed at Torquay in September were chosen by ballot from the 47 resolutions submitted. The first two relate to nuclear weapons and the declared need for a U.N. police force. Agriculture comes next on a motion submitted by Eye. It reads:

"This assembly deplores the fact that the Nation having spent nearly £3,000 millions since the end of the war on Food Subsidies and the subsidisation of Agriculture (other industries supplying the needs of Agriculture also having been subsidised by tariffs) has resulted in no long-term benefit to the industry. It is clear that the present complicated support policy is in many instances wasteful and inefficient and the existing system should be subjected to a searching independent inquiry . . . ."

The resolution lists ten specific proposals, some of which are excellent, as for example: "(1) the reform of the taxation system and the method of financing local authorities including the establishment of rating on site values rather than on improvements, to encourage housing and industry in rural areas; (8) the reduction and final removal of all tariffs on the goods the farmer requires; (9) the strengthening of existing legislation making cartels, price rings and restrictive practices illegal." Some of

the other proposals, including the granting of low-interest loans, and international action to dispose of farm subsidies, are open to objection.

West Walthamstow's "Peace through Trade" resolution deserves the maximum support. It reads:

"This Assembly, while entirely sympathising with the views of those who are understandably appalled by the prospect of nuclear warfare, draws the attention of all Liberal candidates to the possible dangers of concentrating too much on the means by which wars may be fought rather than on the underlying causes of war itself and reminds them of the tremendous and dynamic power of the Liberal Party's policy of unilateral Free Trade as a means to abolishing international tensions and promoting World Peace.

"In particular it supports a more forthright and independent approach to the question of removing existing restrictions on trade with Russia and China."

Oxford wants the Assembly to declare that the Liberal Party will eschew electoral pacts with other parties and will fight the next General Election on the widest possible front. Carshalton and Banstead, in a resolution dealing with industrial relations, would commit the party to recognising "that the furtherance of co-ownership and co-partnership will do much to overcome these difficulties."\* Three useful, minor reforms which could be put in hand right away without recourse to legislation are suggested.

The two remaining matters which may be discussed are a domestic one from Chertsey and a recommendation from Tonbridge that "the nationalised industries be obliged to raise their capital in the same way as private industries out of genuine public and private savings, if necessary backed by a Treasury guarantee" and that the management and conduct of the nationalised industries shall be subject to periodic independent investigation.

P. R. S.

\* A critical "Statement on Co-ownership" by Mr. V. H. Blundell will be published in our August issue. It was submitted recently to an Oxford University Liberal study group at their request.

## NOTES OF THE MONTH

# Public Enemy Number One

**S**ALES of new homes in the U.S.A. sagged last year. The explanation is very simple. Prospective buyers were offered less house for more money—and so many chose to spend their money on something else. But why were prices so much higher, as much as \$15,000 being asked for a \$12,000 or \$13,000 house?

A trenchant editorial in the *June House & Home* ("America's biggest industry monthly for America's biggest industry") gives three reasons. One of them is land speculation. The 1957 home buyer "paid up to \$1,000 more for land and got in return a less desirable lot further out—because land speculators discounted the next ten years' rise in land values and pushed land prices up through the roof."

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After dealing with other causes for last year's high prices, and suggesting ways to reduce them this year, the editorial returns to the land question:

"Let's stop being so cosy with land speculators," it urges. "Let's not pay 1968 prices for 1958 lots. Let's listen to Frank Cortright's warning: 'It gets harder and harder to make a building profit on top of the profit the land-seller takes.' Let's recognise the land price speculator as our public enemy No. 1, the enemy who sits back and takes his big profit first while the developer, the builder and the realtor do all the work; the enemy who did more than anyone else to price our product out of the market last year.

"It plain is not true that land for home building is get-

*Land & Liberty*