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From "Never So Good" To Even Better?

IN BRITAIN a new round of inflation, crippling dear land and heavily taxed homes, goods and incomes are in store whichever party wins the General Election on October 8.

The Liberals are contesting less than one in three constituencies and, at best, can hope to win only a few extra seats. The prospect, then, is of either a third successive Tory government, led by Mr. Macmillan, or the return of the Labour Party after eight years in opposition, with Mr. Gaitskell as Prime Minister. As we write, public opinion polls (for what they are worth) show the Conservatives with a clear but diminishing lead. The issue may be decided by a handful of voters in the unpredictable marginal constituencies, whether or not a Liberal "intervenes". The great majority of those canvassed in the marginal constituencies earlier this year was opposed to any further nationalisation — the policy of the Labour Party.

On several issues little divides the three main parties. Each would spend money like water on projects which, rightly or wrongly, they believe to be desirable or politically attractive. Their manifestos (summarised overleaf) read like shopping lists. An attempt is made to disarm the fears and suspicions of those who would have to pay the bills. By some subtle alchemy, Conservatives would spend more while — "whenever possible" — reducing the burden of taxation. A Labour government would spend goodness knows how many hundreds of millions more without increasing present exorbitant taxation. The Liberal Party argues that by ceasing to make H-bombs and by effecting other economies, Britain could have lower taxes and a number of desirable social improvements.

Taxation is not a matter to be shrugged off like this. It is fundamental. Any reduction in the income, and thus the enormous, dangerous power of government is desirable. But whether a few millions more or less are collected is relatively unimportant. What matters is how taxation is levied.

Taxes are like axes. They cut deep and they can destroy. Present taxes cut deep into incomes. They cut production,

trade and competition; they cut opportunity and incentive. They are destroying freedom, independence and self-reliance. The tax axe is being used as a socially destructive weapon. It should be used as a socially constructive tool by turning its sharp edge against the land monopoly.

A tax on land values is more than a matter of social justice, of collecting for the people the values which collectively and unconsciously they create. It is an economic imperative. Britain is reeling under oppressive taxation; government expenditure goes up each year and will climb still faster when election pledges are redeemed; and the price of land has started to soar to a truly frightening level. Already, because of the price of land, road traffic can hardly move in city and town centres. Building and every other economic activity is doomed to follow suit *unless* land prices and taxes are reduced. That can be done only by taxing land values. There is no other way.

The Conservative, Labour and Liberal manifestos say not a word about the price of land. They pretend the problem does not exist. So, too, with the burning question of the local rates. The subject is completely ignored. Yet, at the last election, Labour haltingly promised that if returned it would review local government finance and *consider the possibility* of rating site values. The Liberals went further. Last September their Assembly adopted a splendid resolution in favour of both the rating and taxation of land values. What has happened behind closed doors at the two party headquarters? What is morally right is economically right, the Liberal manifesto defiantly asserts. But this is in the context of a string of vague generalities about British leadership overseas. Surely it applies with even greater force to the solution of the land and tax problems? Fortunately there are in the field many Liberal candidates who are not afraid of offending the landed interest.

The Conservatives are equally cowardly. Although rightly opposed in principle to rent control and fully aware of the hardship and distortion it causes, they have given a solemn pledge not to decontrol further rents during the

next five years. Or are they being crafty? The pledge, as worded, would not preclude a Tory Housing Minister from freeing further rents by order under existing legislation.

There were hopes, too, that the Conservatives would at least promise a Royal Commission on trade unions even if they hesitated to take immediate action to reform the laws under which they operate. But no, all that is envisaged is a cosy chat over a cup of tea in Downing Street with trade union leaders and employers. The Liberals are far more realistic although their proposals do not go far enough.

On October 8 Britain will present the curious spectacle of more than twenty million people who would benefit from cheap imports going to the polls to vote for protection. Both the major parties, while professing concern (of course!) for the housewife are actually more interested in wooing farmers and horticulturists. They dangle protective tariffs (and much else) before their eyes. The Liberal manifesto just manages to squeeze in a few words in favour of free trade.

While, as we have said, there is in many ways little to choose between the parties, particularly the two giants, in one respect Labour is far and away the greater evil. It has clung to its foolish, dangerous, unpopular and completely unjustified plan to inflict further nationalisation on the country. (The other two parties have no plans to return state industries to private enterprise.)

Specifically, Labour would renationalise the iron and steel industry and long-distance road haulage while requiring the local authorities to purchase and manage millions of rented homes. The cost of the three plans would run into hundreds of millions of pounds. Without the slightest doubt it would stoke high the fires of inflation.

These are wrecking policies. Nor are they all. A part or the whole of any industry would be nationalised at whim. Presumably it would first go before an industrial

equivalent of the People's Courts which dispense "justice" in communist countries. Commandeering would have to wait until a "thorough inquiry" had revealed that the industry or firm was "failing the nation". It is the easiest thing in the world to fix terms of reference so as to secure a predetermined result. The pledge given means absolutely nothing.

The industrial goose would not be completely strangled. At least, that is not the intention. Some of its golden eggs are needed to pay for pensions, etc. Accordingly there are plans to secure for the community a slice of those capital gains and profits which socialists profess to regard as immoral.

The Tories throw up their hands in mock alarm at the very thought of further nationalisation. This is good plain form stuff. But plans to pump "public money" — taxpayers' private money — into building Cunard liners, selling aircraft, constructing private factories and subsidising the rents of state-owned factories, building Council houses for slum dwellers and paying for improvements to old houses etc., fall not far short of nationalisation.

The Conservative method is cheaper and less authoritarian than Labour's. To that extent it is preferable. Since however, tax revenue is insufficient to meet present commitments (in April the Chancellor budgeted for a deficit of £720 million) it is recklessly irresponsible to plan to spend hundreds of millions more. As taxes would be reduced by the Conservatives "whenever possible" the intention clearly is to resort to further inflation and to add to the national debt.

The British people will pay dearly for their election "gifts", whichever party is returned. But the landed interests and other entrenched privileged groups who have never "had it so good" — Mr. Macmillan's elegant phrase — will "have it" even better.

The Party Manifestos

EDUCATION

Conservatives would "concentrate on producing a massive enlargement of educational opportunity at every level". There would be more training colleges for teachers, more students at university, more technical colleges. Some £400 million would be spent by 1965 on improving school buildings. Grammar schools would be defended "against doctrinaire Socialist attack."

Labour would abolish the 11-plus examination, making grammar school education available to all suitable children, and would improve maintenance grants and the value of State scholarships to university.

Liberals say more teachers and more schools are needed. Secondary schools should get priority. A big extension of University education is needed. The means test on University grants should be ended.

FARMING AND THE COUNTRYSIDE

Conservatives "pledge that the long-term assurances to agriculture contained in our 1957 Act will continue for the life-time of the next Parliament." Improvements and developments in agricultural policy, including the small farmers scheme, would be considered in consultation with leaders of the industry. "Encouragement will continue to be given to private woodland owners." Rural water, sewerage and electricity supplies, housing, schools and transport would be improved. Horticulture: "We shall continue to use the tariff as the main instrument of protection." Grants of £7½ million are promised and marketing would be reformed—central London markets would be "streamlined".

Labour says: "Protection will be given against unfair foreign competition." There would be security for tenant farmers with effective rent arbitration, a special credit