

How The Candidates Replied

LABOUR PARTY

REPLIES were received from Labour candidates. Of these only three were elected: Robert Edwards (Bilston)—“yes” to all three questions; James McInnes (Glasgow, Central)—“yes” to the two land value questions; and Arthur Woodburn (Clackmannan) who “would like to see some progress in recovering increased land values”.

These five Labour candidates wrote “yes” to each question: J. Finnigan (Bridgwater); G. Hickman (W. Enfield); A. E. Kitts (W. Derbyshire); R. B. Stirling (Sudbury & Woodbridge); and F. Venables (Wirral).

Other Labour candidates who, if elected, would have supported legislation to rate and/or tax land values were: Tom Braddock (Kingston-upon-Thames); W. G. Fordham (Wycombe); Mrs. Nora Hinks (Edgbaston); C. R. Hobson (Keighley); W. H. Hutchinson (Tynemouth); F. R. Mason (Worthing)—in addition he favours a form of local income tax for owners of houses, and supports free trade; Edwin Reid (Stretford); J. H. Swann (Ripon); E. J. Trevett (Southend East); and R. G. Ward (Ashford).

Sixteen other unsuccessful Labour candidates answered. Not one replied “yes” to the free trade question although Mr. Frank McManus (Morecambe) wrote: “Tariff barriers are in general undesirable, though occasionally such a barrier might be temporarily useful in checking the spread of sweated-labour conditions. Subject to this proviso my answer is ‘yes.’” Four of the candidates regard free trade as “an ideal” which is “not practicable” in present circumstances.

Notable replies to the land values questions were as follows: Mr. F. McManus recognises the need for rating reform and would carefully consider our proposal. He supports L.V.T. Arthur Ledger (Henley): “In principle I agree with the need for rating reform and have in the past looked with sympathy on taxation of land values”. He could not commit himself. Neither could Eric Deakins (Finchley) who is “interested in this subject”.

One of our readers received a letter as follows from the Secretary of the Labour Party:-

6th October, 1959

Dear Mr. —,

Thank you for your letter of 29th September, about capital gains taxation. I feel that you oversimplify the realities of economic life in placing such exclusive reliance on land value taxation. Increases in land value will be subject to the capital gains tax which we propose, and it will therefore enable us to share the increases of wealth that result from the expansion of the whole economy. It will also enable us to share the wealth that accrues to factors other than land, for instance the gains in the ordinary shares of companies.

Yours sincerely,

MORGAN PHILLIPS

BEFORE the election, the United Committee for the Taxation of Land Values sent a questionnaire to every candidate. These asked whether the candidate, if elected, would:—

- (1) Promote or support a Bill to introduce land-value rating?
- (2) Promote or support a Bill to introduce a uniform national tax on land values?
- (3) Work for the unilateral removal of British barriers against imports, including Exchange Control?

With the questionnaire was sent a copy of the Rating Reformer leaflet reproduced in our previous issue. (Copies of the questionnaire and leaflet were also sent to more than 500 newspapers.) Below and on the following pages we summarise the replies received.

CONSERVATIVE PARTY

THE only Conservative who replied “yes” to all three questions was J. Gouldbourn (Westhoughton). He was defeated.

Sir Harry Hylton-Foster, Q.C. (Cities of London and Westminster) wrote most courteously: “I have made but a limited study of the land value rating system, and should not be frank with you if I did not confess that I am not, in the present state of my knowledge or ignorance as the case may be, convinced by the arguments advanced in favour of the system.” None of the few elected Conservatives who replied was in favour of our proposals.

The majority of Conservative replies were either negative or variations on a theme obviously put out by party headquarters. This was that the Minister of Housing and Local Government some months ago set up a Working Party to examine many aspects of rating law and that the wise course is to await its findings. There was a healthy diversity in the replies to the free trade question ranging from point-blank “no” to an unqualified “yes” from Geoffrey Howe (Aberavon) and K. G. Routledge (Birkenhead). Some candidates favour a multilateral or bilateral approach to the problem of trade barriers. Others support so-called European free trade. Many ignored the question.

An interesting reply to the land value rating question came from Kenneth Burden (Islington East): “I am in general sympathy with this but only as a substitution for, not an addition to, existing rates. But how would you suggest a fair method of apportionment between occupiers of blocks of flats and offices?”

G. M. Pierce (Wrexham) stated categorically that a land value tax “could not operate universally”. Douglas Sisson (Goole) wrote: “The substitution of such a tax for all taxation cannot, I think, be the complete answer as many individuals are in a position to make profits without payment of a land value tax.” He is “not satisfied that the present rating system is the best we could have and would approach with an open mind the question of substituting land value rating”.

The Case for Reform Briefly Stated

The Questionnaire sent to all candidates set out as below some reasons why local and national taxation should be based on land values, and why protection should be swept away.

RATING REFORM. As levied at present, rates deter and penalise development, making houses and buildings dear to buy or rent. They impose on occupiers of well-improved property a heavy and often unfair burden. They divide society into groups (e.g. holders of rate-exempt idle sites and farm land and partially de-rated industrialists, etc.). They encourage withholding of land from use, raising its price to prohibitive levels, to the detriment alike of industry, commerce, home-seekers and the public authorities.

The **LAND VALUE RATING SYSTEM** has exactly the opposite effects. Rates are levied *exclusively* on the value of land alone—houses, shops, factories, farm buildings and other improvements are completely **RATE-EXEMPT**. Extensive overseas experience (in some places for more than 60 years) proves conclusively that land-value rating is practicable alike for city, town and countryside, in countries "old" and "new". It is popular with home owners and tenants, shopkeepers and manufacturers, farmers and other taxpayers, and the local authorities.

TAX REFORM. Present taxes penalise labour, industry and trade, raise the cost of production, and make goods dearer at home and in our overseas markets.

Substitution of a LAND VALUE TAX for other taxes would have opposite effects. By making the speculative withholding and underdevelopment of land unprofitable, it would promote the fullest and best use of land. This would increase opportunities for industry and employment. Further, it would bring down manufacturers' and traders' costs and consequently the cost of living.

FREE TRADE. It is a basic human right of every man to buy whatever he likes from whom and from where he chooses. Tariff taxes, quota restrictions, Exchange Control and other protectionist devices frustrate this right. They make goods dearer, foster monopolies, and impair international relations. Trade is a two-way exchange—if the foreigner cannot sell his goods to us, he cannot buy ours. Tariff-blockaded ports hurt the people *inside* Britain who want to buy far more than the foreigner outside who would like to sell to them. Whatever other countries may or may not do about their trade barriers, Britain should remove hers.

"The present rating system is illogical and unsatisfactory," wrote H. G. Garside (Ealing South) "but I do not accept that your alternative is significantly better."

Alan Pratley (Gosport) wrote: "I have long shared the general dissatisfaction in this country with our present rating system, and I would certainly lend my support to legislation designed to introduce land-value rating. One of the best schemes for such a measure is put forward in a pamphlet with which you are doubtless familiar, called *The Rating of Site Values* by the late Richard Stokes, P.C., M.P. (Published by the Labour Party in 1955). I could not at this stage support the complete substitution of a land value tax for all other taxes, although there is a case for making experiments with such a tax."

Although unwilling to commit himself, D. G. Reynolds (Portsmouth, Langstone) believes that "there is much to be said for the land value rating system".

Edgar Simpkins (Folkestone): "The present system of rating is illogical and frequently unfair and should therefore be changed. As a local Councillor in Islington I feel this strongly and if returned would press vigorously for the reform of local Government powers, boundaries and finance. I am not yet convinced that land value rating is the fairest method or whether a local income tax is preferable but would be glad to receive more of your literature. *I want the rates reformed*".

Ashley Bramall (Bexley) is a former Labour M.P., a barrister and a member of Westminster City Council. His chief interests include housing and local government and yet, in a letter to one of our Bexley readers, he confessed: "I entirely agree with your views on the unfairness of rating as a form of taxation. I am afraid that I have not studied the question of land value taxation sufficiently to arrive at a conclusion on this as an alternative".

LIBERAL PARTY

FORTY-FOUR Liberal candidates replied "yes" to all three questions. None of them was elected.

A further eighteen, equally unsuccessful, either pledged qualified support or left one or more questions unanswered.

Only one candidate—Mr. D. Ridley—was completely out of step. He opposed the Home Secretary, Mr. R. A. Butler, at Saffron Walden, as a "Liberal Radical". Declining to support either the rating or taxation of land values, he wrote: "The matter needs far more enquiry before I could express an opinion. At first sight it seems that since land values are subject to regular change it would be difficult to administer such a reform effectively". His answer to the free trade question was a real howler: "Unilateral action would not seem to achieve the desired effect. It could well lead to a satiety of goods and insufficient exports to keep a balance of trade". Alas, the situation could not arise; overseas exporters, like the grocer round the corner, insist on receiving payment for goods supplied.

Unreserved support for our twin-edged policy came from: Deryck Abel (Worthing); Geo. Allen (Bath); G. F. Bilson (Birkenhead); Major A. R. Braybrooke (Guildford Surrey); David Brooke (West Ham North)—"Yes.

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100%"; K. Brookes (N. Lewisham); Gordon Browne (Carshalton); D. F. Burden (Altrincham and Sale); Mrs. E. Dangerfield (S. Aberdeen); G. Vaughan Davies (Withington)—"land value taxation instead of building rating is Liberal policy"; L. A. de Pinna (Feltham); Lt. Col. R. M. Digby (Petersfield); I. R. M. Davies (Oxford City); Dr. Roy Douglas (Gainsborough); A. L. Ford (Arundel); J. O. Galloway (Orpington); Douglas Geary (Romford)—"I am entirely in sympathy with the aims and objects of the United Committee";

Raymond Hancock (Loughborough); Joe Hart (Bethnal Green); John H. Goodden (W. Dorset); Lyndon H. Jones (Hornchurch); Miss E. Lakeman (Aldershot);

John McLusky (Dewsbury); John McQuade (Darlington); David K. Mills (Ilford N.); Colin Murchison (Ross and Cromarty); W. A. Newton-Jones (St. Albans); Gerald Owen (Esher); Mrs. A. Pearce (Bristol N.E.); Bernard Roseby (Hallam Sheffield)—"Certainly, this is one of the Liberal Party's greatest proposals for tax reform";

C. W. J. Rout (Workingham); Harold Shaw (Shrewsbury); P. M. T. Sheldon-Williams (Billericay); A. L. Smart (Derby S.)—"In almost every speech I make I advocate these things"; Oliver Smedley (Walthamstow W.); F. Tetlow (Knutsford, Cheshire); Richard Wainwright (Colne Valley)—L.V.T. and L.V.R.: "I have strongly supported this since 1935"; R. A. Walker (Ruislip-Northwood);

R. Walsh (Epsom); Geo. Watson (Cheltenham); W. Watson (Dorking); G. Wellings (Chelsea)—L.V.T. and L.V.R.: "I am 100% for it and will do everything in my power to further this vital reform"; W. J. Wareham (Bournemouth E. & Christchurch).

The 18 Liberals who gave qualified replies were: John Baker (Richmond); Desmond Banks (S.W. Herts); Geo. Bridge (Southgate); A. de Montmorency (Cambridge City); S. Goldblatt (Rugby); Miss K. C. Graham (Skip-ton); Dr. E. H. Harris (S. Worcs.); C. A. Hart-Leverson (W. Bristol); G. M. Harvey (Nantwich); Dr. L. Housden (Basingstoke); K. J. Hovers (Sutton Coldfield); T. O. Kellock (Torquay); R. Netherclift (S. Ilford); L. Norbury-Williams (S. Dorset); R. Rubin (Streatham); W. J. Searle (Dulwich); K. Spargo (E. Herts); K. Vaus (E. Surrey).

Mr. Kellock does "not think that the present rating system should be totally replaced by land-value rating—at least at once". Dr. Housden "would consider". The remaining sixteen are in favour.

Only five of the eighteen pledged unqualified support for a national tax on land values. They were Dr. Harris, Dr. Housden, and Messrs. Norbury-Williams, Searle, and Spargo.

Mr. Baker's support "would depend on the rate of tax". Mr. Banks would "certainly support" if he was "satisfied that the method of applying the tax was workable". Miss Graham "would probably support".

Messrs. Bridge, Kellock, Netherclift and Vaus would postpone support until after land-value rating had been established.

Mr. Harvey is in general sympathy "but would require
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to study the problem in greater detail" before committing himself.

Eleven of the eighteen gave affirmative answers to the free trade question. John Baker "would work for reciprocity first". A. de Montmorency "accepts present Liberal policy" and C. A. Hart-Leverson agrees "with qualifications where it will affect infant industries in under-developed countries".

Dr. Housden "would consider" and Mr. Norbury-Williams required more information.

Mr. Rubin gave a suspiciously protectionist-sounding answer: "Yes, subject also to removal of all other industrial restraints and fair play by other nations". Mr. Spargo would "work for reciprocal free trade".

MINOR PARTIES

TWO unsuccessful Birmingham candidates who replied "yes" to all three questions were H. W. Maynard (Independent Conservative, Hall Green) and Bert Pearce (Communist, Perry Barr).

A Welsh Nationalist, Rev. D. E. Morgan (Llanely) supports the land value policy but is not a free trader. His colleague, Emrys Roberts (Cardiff N.) recognised that the questions raised were "of the utmost importance... the problem has been raised locally and after the election the Cardiff branch of my party intends to make a study of the problem—speakers, discussion groups etc".

A Scottish Nationalist, J. Halliday (Stirling) is in process of making himself better informed about L.V.T. But "without a government of her own, Scotland and her workers cannot enter on such a scheme" as free trade.

*One of our readers received a letter as follows from
The Liberal Party Information Department
6th October, 1959*

Dear Miss —,

Mr. Grimond has asked us to reply to your letter of October 4th. He is sorry not to be able to write himself but as you can imagine is extremely busy just now. He asks us to thank you for your good wishes and to say how pleased he is to hear of your support for the Liberal Party.

With regard to the three specific points you mention —

- 1) Yes, we would introduce land-value rating.
- 2) Yes, we would impose a national tax on the unimproved value of all the land in the country, and in addition a national tax on all annual rate values.
- 3) We would work towards Free Trade by a progressive removal of all tariffs, quotas and restrictions that protect our home market. We would also aim to make sterling freely convertible by abolishing exchange controls.

Yours sincerely,
(Signed) M. J. POWER (Mrs.)