



TWO Members of the United Committee who
contested the General Election show ...

How To Write An Election Address

SCORNING BRIBES, THEY OFFERED ECONOMIC JUSTICE

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INFLATION. Contrary to common belief, inflation is simple to explain. Recent Governments have been spending more than they have collected in taxes and borrowings (such as National Savings and Premium Bonds). To make up the difference, they have caused extra paper money to be printed.

The Star City Editor on 25th August, wrote: "It looks as if 12 years of rotten finance and political extravagance has undone a century-and-a-half of sound money policies. In Britain, as in other Western countries, the markets — both Stock Exchange and money markets — are flooded with the Government paper."

During this period, paper money in circulation has increased by over 50 per cent from 1,284 million to 2,000 million pounds. Inflation makes a mockery of savings and pensions, and is a major factor in the rising cost of living. Liberals will insist on a policy of sound money and call a halt to deliberate inflation.

RATES & TAXES. There is much justified complaint about our chaotic, patchwork rating system. Here is a Heath Robinson system of different valuations and different levels of rating for different classes of property.

We Liberals want a completely new system. At present, you pay rates according to the value of your property. If you add a garage to your home, you have more to pay. If you leave a piece of land completely idle, you pay nothing; but the moment you develop it, along comes the rate demand, and it is higher if you build a good house than if you build a poor one. Our present rating system is a deterrent to good building.

Under the Liberal system, buildings and other developments would not be taxed. Instead, rates would be based entirely on the value of the land. Site-value rating, as it is called, has been tried in several countries, including some in the Commonwealth, and it has always been a success. As rates are on the value of a site only, initiative and enterprise in development are encouraged, and the under-

use of valuable land severely discouraged.

The following advertisement appeared in the *Sunday Express* on 16th August this year:

"An attractive estate of carefully designed Houses, Bungalows and Chalets situated on high ground adjoining the green belt, a short distance from Rayleigh station, which is within one hour's journey of London. Omnibus routes pass the estate, and excellent schooling facilities are nearby. Special features include cavity construction, made roads — no charges, individual garage space."

Notice how the advertisement says very little about the buildings themselves, but talks instead of the "green belt", the railway giving easy access to London, the bus routes, the good schools, and the roads. *None of these things did the estate owners create themselves. What they are selling are the general activities of the community as a whole.*

The value of the location, of the site, is not a value privately created, but one communally created. It is therefore right and proper that it should be collected for public revenue purposes, and indeed very wrong that it should be allowed to go into private hands.

The Liberal proposal for taxes is therefore similar to that for local rates. The burden of taxation should be placed on land values.

The taxes which now provide the national revenue are very harmful. High rates of Income Tax and Surtax reduce the incentive to work and save; Purchase Tax, Import Duties, and Entertainments Tax, all add needlessly to the cost of living; Death Duties hit at accumulated savings, regardless of circumstances.

Land Value Taxation is very different:

It cannot hinder production or raise prices — in fact it would have the very opposite effect, since it leaves developments tax free.

It cannot be avoided. Today, tax evasion is almost an industry in itself.

It has far-reaching economic effects, which would result in a freer, more flexible, and expanding economy.

Breaking land speculation and land monopoly would mean higher wages, and a just return on invested capital.

Land Value Taxation is not just another tax. It is meant progressively to replace existing taxes. What it means is that land rents which at present are wrongfully going into private pockets will, in future, be the basis of national revenue.

Land values are community values, and not a penny should be raised in taxes on goods and personal incomes while any of that land value remains uncollected.

LAND & LIBERTY

MONOPOLY & THE COST OF LIVING. The Conservatives established a Sugar Board to buy sugar from Commonwealth producers at guaranteed prices higher than world market prices. Not only has this made sugar needlessly expensive, but the Board has also been running at a substantial loss which the taxpayer has to meet. This is just one illustration of the way in which the things we want to buy are made costly. Butter is another spectacular case. In a year, the price per pound has risen from 1s. 9d. to 4s. 2d. as a result of the Government's action in cutting off imports.

Import Duties, Quotas, Licences and Exchange Control all form a barrier against our trade with the rest of the world, and raise the prices of those goods which, despite all the obstacles, are in fact imported.

Because these obstacles to trade limit the available supply of goods in this country, monopolies are able to grow and operate on the home market.

Agricultural produce is largely marketed by producer-controlled Boards with monopoly powers. To take potatoes as one example; acreage limits are set and must be observed, and only registered producers may make a business

PEACE. A real, stable and lasting peace cannot be based on economic warfare. The way to establish friendship between nations is to allow their peoples to trade freely to their mutual advantage. It has often, and very truly been said that if goods cannot cross frontiers, armies will. All our import duties and other restrictions on trade should be removed over a period of five years.

HOUSING. If the housing shortage was ended, landlords would be forced to keep their property in good condition and charge reasonable rents in order to attract tenants.

Wherever you go you find land suitable for housing lying idle. Liberals would put a tax on the value of all land whether used or not. At present the owner of unused land gets off scot free.

The owners of these idle sites could no longer afford to keep them out of use. If they would not or could not build on them themselves, they would be only too willing to get rid of them to someone who would. The housing shortage would soon be ended. Free Trade would also reduce the cost of housing by allowing foreign building materials freely into the country.

UNEMPLOYMENT. When Land-Value Taxation is introduced, every owner of valuable idle land will want to put it to use to get some income from it with which to pay the tax. There will be a tremendous demand for labour to build houses and factories on land in the towns, to maintain them when they are built, to work in the new factories and to cultivate land in the country.

Under these conditions there will be no need for anyone to be unemployed unless he is unfit for work. The few who are unfit can then be helped far more generously than at present.

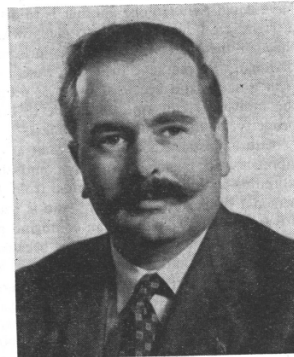
With Land-Value Taxation in operation, instead of

out of potato growing.

The picture is similar in industry. Quite apart from the nationalised monopolies, there are many industries where competition is severely limited. Public transport and road haulage suffer in this way. The supposedly "free" steel industry is dominated by the Iron and Steel Board, which has the power to fix prices and veto development projects.

The stifling of effective competition by import restrictions and other means, and the payment of subsidies (taxpayers' money) to the favoured few, has often meant keeping inefficient industries when they ought to have been shrinking and giving way to more efficient and vigorous ones. Indeed, these latter have suffered because sorely needed capital and skilled labour have been artificially diverted into the wrong channels.

The effect of all this has been, and is, dangerously to limit the growth of our economy. The plain fact is that the cost of living is far, far higher than it ever need be. Free Trade and the repeal of bad laws limiting competition, would work wonders, and release all the creative energy which is so frustratingly bottled-up by monopolistic practices and Government controls.



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workers competing for jobs, would-be employers will be competing for labour. Wages will be forced up to the level where men really get what they earn—and they will be able to keep it instead of paying it out in our present unjust taxes.

PENSIONS. The higher wages and lower prices under Land-Value Taxation and Free Trade (see next paragraph) will make it far easier for people to provide adequately for their old age...

PRICES. Free Trade will reduce prices by allowing foreign competition and breaking monopolies. They will also be reduced by the increased production when all our resources of land and labour are brought into use under Land-Value Taxation. With *genuine* full employment governments will no longer need to raise prices by inflating the currency to keep unemployment figures down.