

LAND and LIBERTY

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The land tax: will UK lead the way?

FOR THE FIRST time in the history of democracy in Britain, the centre of gravity of political power has shifted away from the landowning elite, giving rise to the prospect of the social and economic transformation that is overdue by at least 200 years.

The landowning class, through its sophisticated manipulation of the political processes, has performed superbly in defence of its interests. It has fiercely fought attempts by Liberal and Labour Chancellors of the Exchequer who have tried to undermine the economic power of land monopoly by taxing rental income on the basis of the market value of land.

In a series of articles in this issue, *Land & Liberty* restates the need for a dramatic reorientation in land policy. For land monopoly is the root cause of unemployment. Yet the land market offers the best single solution to the problem of how to return to sustained growth.

Our writers analyse the new political realities in Britain and evaluate past attempts at dealing with "the land question" — attempts that have failed to generate the consensus necessary for a rational strategy to meet national aspirations of both economic efficiency and social justice.

And from the United States, we report the warning of an expert who declares that land reform is inevitable: what he cannot tell us, however, is whether this reform will be the result of enlightened government or civil strife.

Churchillian attempts to reform the land tenure system have been defeated in the past, but the 1980s may yield striking advances.

● The Conservative Government is no longer shackled by the landowners: it could — if it were convinced that a shift in

the tax burden on to land values was an imperative economic objective — act without the risk of defeat by prominent members of the Cabinet seeking to defend a sectional interest.

● Even the Labour Party, which for the past 40 years has been wedded to the concept of physical planning as the focal point for land policies, is beginning to reassess its philosophy. Peter Shore, the party's spokesman on economic affairs — and a contender for the leadership of the party — began this re-thinking before the general election.

● The election has also shifted the political axis of the Liberal Party, which in the post-war years has been less than enthusiastic about promoting land value taxation despite repeated affirmations of its faith in the policy. Until June 9, the party was largely represented in Parliament by MPs from agricultural constituencies, most of whom were cautious about advocating a fiscal solution to the land question.

Now, however, urban politicians — deeply rooted in local politics in the inner cities — have equal weight with the rural fringe MPs.

All the ingredients are present, then, for a consensus approach to dealing with land-related issues. These problems are not peripheral to the concerns of governments that are trying to solve the global economic crisis. They are central to an understanding of why over 30 million people are unemployed in the industrialised countries alone — and why another three million people are predicted by the OECD to end up in the dole queues in the next few years.

It is towards an enlightened debate on these problems that we dedicate this special issue of *Land & Liberty*.