

# LAND & LIBERTY

Editor: V. H. Blundell

APRIL, 1962

SIXPENCE

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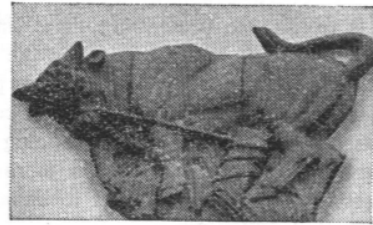
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## EDITORIAL

### Presumptuous Planning

**H**OWEVER hot be the political controversies that rage among the accepted, but now almost fictitious, party political groupings of left, right and centre (and the left, right and centre groups within each party) one can usually count upon unanimity when it comes to state economic planning.

The government must plan the national economy. This is the premise accepted by them all. The government must plan the way out of wage disputes, inflation, unemployment, bad housing, etc., by interfering with the machinery of industry and trade, and with wages, prices, interest rates, hire purchase and anything that it can lay its hands on.

The controversy really begins only when it comes to the point of what particular plans should prevail, who should be controlled, taxed or subsidised, who should pay and who should benefit.

Within the context of state economic planning, one may indeed take sides on the issues that arise. We question the premise.

#### Double-think

The disposition of parliamentarians, political commentators and professional economists to concern themselves with a multitude of effects rather than with a few basic causes (whether from ignorance, prejudice or private interests) is leading the country down the slippery slope towards the all-powerful state — to the double-think society of "democratic dictatorship."

Economic planning we must have, have always had, but government planning as opposed to private planning should be undertaken only within certain prescribed limits.

But it is of no use prescribing these limits and acting upon them without radically altering the economic basis upon which society now rests: a basis of privilege for the few at the expense of the many. And, contrary to what socialists think, it does not need planning to put it right. We need the repeal of bad laws more than we need new ones — except for the Act to channel the rent of land into the public purse.

The government's National Economic Development Council may yet prove to be a blessing in disguise — not positively but negatively. When it has gone the way of its predecessors, the Economic Planning Board (1947) and the Council on Prices, Productivity and Incomes (both now defunct), perhaps the people will have less faith in economic planning nostrums and be more prepared to look at fundamental principles.

### Platitudinous Generalities

"NEDDY" has not made a good start if the opening meeting is any indication. Only the faithful and gullible will be impressed.

The first meeting was on March 7 when Mr. Selwyn Lloyd outlined the Council's three tasks. Perhaps as an insurance against the consequences of failure or to disarm critics, Mr. Lloyd warned against placing too much hope in the Council. He said:

"If, working together, they [the Council] produce nothing more than a façade of co-operation . . . if they were seen to do no more than exchange platitudinous generalities, they would have failed completely. This Council is not the panacea, the cure-all for our economic troubles and diseases. We cannot perform economic conjuring tricks."

But Mr. Lloyd needs to take his own advice. For "platitudinous generalities," his "three tasks" which he laid down for the Council would take some beating. Here they are:

(1) To examine the economic performance of the nation with particular concern for plans for the future in both the private and public sectors of industry.

(2) To consider together what were the obstacles to quicker growth, what could be done to improve efficiency, and whether the best use was being made of resources.

(3) To seek agreement on ways of improving economic performance, competitive power and efficiency, or, in other words, to increase the rate of sound growth.

It will be noted that all the emphasis is on increasing production — indeed, if the trio of tasks is scrutinised they will be found to be concerned with just that and nothing else.

There is, of course, no mention of how the increased production should be distributed. But then perhaps the Chancellor considers that the proceeds from increased production belong to the government — and this has been claimed more than once. (It has also been said that the proceeds from increased production are needed to help

us pay for "our" exports, which leaves one utterly bewildered by this particular brand of "economics.")

Mr. Lloyd gave some further examples of "platitudinous generalities." He said that he believed he would get strong support from public opinion "once it becomes convinced we intend to promote a greater sense of national purpose in conduct of economic policy." What do these words mean?

At its next meeting, on May 9, the Council will be given a "programme of action." Various industries will be approached to assess their "long-term outlook," their "investment and manpower requirements" and their "production and export prospects." A staff of 60 is being recruited. All this is in the name of the "National Economy."

## NOTES OF THE MONTH

MEMBERS of the House of Commons are often accused of taking a great deal of time over saying very little. On occasions, however, much can be stated or implied with a minimum of words, and a good example of this was the recent exchange between Mr. S. Awbery (Labour, Bristol Central) and Sir Edward Boyle, for the Chancellor of the Exchequer, during question time on February 13, concerning renewal of leases.

Mr. Awbery asked the Chancellor of the Exchequer if he was aware of the large sums demanded by ground landlords for the renewal of leases on dwelling houses and, in view of the fact that these landlords had not contributed towards increases in the value of the land, if he would take steps to *examine the sums as a source of revenue*.

He gave a recent example, in which an exorbitant sum had been asked for a renewal of lease. A man who was now paying £3 a year ground rent was being asked to pay £550. This was described as robbery and the Minister was urged to consider a rent-freeze similar to the wage-freeze that he was imposing.

But Mr. Awbery appears to want his cake and eat it too, for a rent-freeze would leave the leaseholder in a favourable position, in so far as he would be enjoying the benefits of an increase in land value and this would destroy the first part of the argument, i.e., that steps should be taken to examine the increases as a source of revenue.

It is obvious that this particular leaseholder was enjoying a considerable privilege from the rise in land values, and even under a more equitable system would be expected to pay a higher rent.

In a short reply to the question, Sir E. Boyle claimed that increases in ground rent would enter into the computation of taxable profits.