

ting scarce. What is true is that land speculators are making land scarce by holding millions of acres off the market to get higher prices (or pricing those acres out of to-day's market, which is the same thing in different words). "Census says there were 12,688,900 vacant building lots on the assessment rolls in 1956. Now the \$50 billion highway programme is opening up millions of acres more that should be cheap (even if they aren't), and new earth-moving giants are making it easier and cheaper to build better on hundreds of close-in hills we by-passed in our first rush to cover the flat potato fields and fruit orchards with little houses.

"The one best way to stop land price inflation and perhaps squeeze out some of the past inflation is to get together and fight to put more of the tax load on land and less of the tax load on improvements. This shift might make it too costly for speculators to hold good home sites idle hoping to squeeze us for still higher prices later on.

"Higher taxes on land would hurt no one but the land speculators. Higher taxes on land would permit lower taxes on houses and other improvements. Higher taxes on land are the only taxes that would help bring prices down instead of pushing prices up. Higher taxes on land are the only taxes that would stimulate production instead of discouraging it.

"Our industry has to live closer to the land speculator than any other industry. We have a closer view of the harm land speculation is doing our economy, so we should be first to tell the tax planners and the tax collectors that higher land taxes are the one way to raise more revenue without hurting anyone except our public enemy No. 1."

These punching words should knock that silly, supercilious smile (so often encountered) off the face of the sceptic who dismisses land-value taxation as mere theory, outdated at that, a social reformer's pipe dream, or a minor fiscal change possibly appropriate in the rural districts of far-distant Dominions but not in the modern,

## Why Fear Cheap Food?

**B**UTTER-DUMPING, so-called, is still a live political issue. The discussion ranges far and wide, becoming seemingly complex. In fact, it is amazingly simple. Only one question has to be resolved. Shall the individual be allowed to exercise his absolute moral right to buy what and from whom he pleases? The question answers itself. No amount of skilful sophistry can disguise the vicious tyranny involved when this right is curbed or denied, as in the present case it is by that unholy trio, the British Tory Government, the New Zealand Socialist Government, and the N.F.U. We have discussed the matter at length in recent issues, emphatically stating our view. Let us see now what some others have written lately on the matter.

The *City Press*, that great free trade weekly newspaper owned and edited by Mr. S. W. Alexander, inserted a large

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advertisement in the *Middlesex County Times*, which circulates in Ealing, during the parliamentary by-election campaign there last month. The advertisement was repeated in the *Liberal News*. "The Liberal Party is the Cheap Food Party," it declared. "Liberals are in favour of 'dumping.' They should proudly proclaim their determination to oppose any measures by Governments which put up the price of butter or any other foodstuff to the British housewife . . . In former times, the British people refused to accept taxes on food. They were right then. They will be right again if they support any candidate who truly fights against these monstrous proposals which will raise the cost of living of the people."

### TRADE UNION ENDORSEMENT

**W**HAT American capitalists were told in June by *House & Home* had been told in different words to trade unionists the previous month. *Labor* is the official Washington weekly newspaper owned and controlled by sixteen railroad labour organisations. In its May 10 issue the editorial examined what was "wrong" with housing. "For years," it said, "the government has been trying many ways to stimulate the housing industry, but again it is in a slump. One big reason for that—land speculation—is illustrated in an article in *Medical Economics*, a journal for doctors." There followed extracts from that article, and from an earlier *House & Home* article, which were printed in our February, 1958, issue. The editorial concludes:

"Those facts and figures convincingly refute the often-made claim that high wages of building trades workers are the cause of the housing slump. If workers' wages were cut in half, the 'saving' would soon be added to land speculators' profits. A remedy for this huge obstacle to home building and prosperity was proposed long ago by Henry George, in his famous book *Progress & Poverty*. He recommended putting heavier taxes on the value of land, thus discouraging speculators and making land cheaper for those who want to use it for constructive purposes instead of for unearned profit."

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One week later the *Liberal News* published this disclaimer on its front page. "DUMPING. Last week's *City Press* advertisement has perturbed a number of

*Liberal News* readers in various parts of the country. We wish to emphasise that it expressed the views of the *City Press* and not the Liberal Party policy."

Mr. W. Gerald Crauford, of Chorley Wood, wrote a sharp rejoinder published June 26. "One can only assume that those perturbed by the advertisement are not Liberals. No Liberal, surely, would object to a statement of policy redolent of free trade, a fundamental plank in the official Liberal policy for longer than most of us can remember. If these people are seeking to build a Liberal world, in which all men shall enjoy without interference the bounty our Creator intended for us to the fullest possible extent, in peace and regardless of creed or nation, then I think we need to be told of their plans. It seems to me they should seek a home in some party devoted to sectional interest."

A Dorset Liberal, Mr. G. M. E. Chambers, took a different view. "Dumping is ruinous to our own New Zealanders . . . the practice is still, even from a materialistic standpoint, utterly unsound, for it forgets that *orderly marketing* is the vital factor. To keep prices low and stable it is absolutely necessary to avoid glut and shortage. Supply and demand must be able to be predicted and adjusted as well as reward regularised. If food is dumped in this country below production costs, Commonwealth and British farmers will be the first to suffer, but the housewife will bear the burden, for the irregular marketing will result in spasms of high prices. There has been every indication that this Government (of which I long to see the end) has been trying to run a cheap-food policy to catch the votes of the women with the shopping baskets. It is a mercy that the N.F.U. helped to frustrate them on Belgian butter, as this was the culmination of similar efforts of several European countries and Argentina."

Surely a spasmodically high price is preferable to consistently dear butter? But in fact, of course, farmers in many lands are competing to fill our butter dishes. That is the housewife's safeguard. "Orderly marketing" has a neat, tidy sound, but experience of milk, eggs and potatoes so marketed teaches what it amounts to in practice.

Answering Mr. Chambers, Mr. Lyndon H. Jones (joint hon. secretary of the Free Trade Union) wrote: "The British farmer has not been hurt by imports of cheap

butter into this country. Indeed, between 1954 and 1957 he increased his share of the home market for butter from 4 to 8 per cent. One must exercise great caution when employing the term 'dumping.' If used in the broad sense of the term, then other countries could accuse Great Britain of being a major offender. We produce goods in derated factories, by machinery driven by coal bought below production cost, the workers eating subsidised food and living in subsidised houses. When subject to scrutiny, Mr. Chambers' argument that irregular marketing will result in irregular spasms of high prices is nothing but plausible debating. It cannot be disproved by the mere invocation of orthodox economic theory. It is necessary to examine factual experience, and, on so doing, it is found that his case is nought but verbal legerdemain."

#### MORE THAN £1 AT STAKE

ON his return from London, Mr. C. F. Skinner, N.Z. Minister of Agriculture, said in Wellington on June 11 (according to a *Manchester Guardian* report) that butter prices were then definitely at rock bottom, and that they would "very soon" rise "quietly." [They have since done so.] He said that the British Government based all its calculations on the assumption that New Zealand butter would reach between 2s. 9d. and 3s. a pound by the end of this year. "The (British) Minister of Agriculture bet me £1 that it would reach 33 pence (2s. 9d.) by October. I took that up very quickly."

Without wishing Mr. John Hare ill, pensioners, expectant mothers and working-class parents will hope that he loses his bet. In New Zealand those with pasture land for sale, and heavily mortgaged dairy farmers who bought their holdings while world butter prices were high will take the opposite view: dear butter, provided it finds a buyer, will keep up the value of their land.

#### MILLIONS FOR "OUR KINSMEN"

IT would be patently "unfair" if, while rifling the British wage packet and shopping purse in the interests of the New Zealand landowner his confrere in Australia were overlooked. He, too, is our kinsman; he, too, stood by us in our darkest hours. As it happens these facile arguments have not been necessary: his welfare is assured under existing arrangements. These were discussed from the purely free trade standpoint by Dr. Nathaniel Micklem, President of the Liberal Party, in the *Liberal News* on June 26 from which, with due acknowledgment, we quote:

"In 1951, when we were still suffering from meat rationing, our Government entered into a fifteen-year agreement with the Australian Government whereby we should guarantee prices to the Australian producer. On June 16 of this year British and Australian officials met to fix the minimum prices which we are to pay for some years ahead. Last year, in addition to our paying for Australian meat at the market price, we contributed £4,750,000 to the Australian producers. And very nice for them. *The*

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*Times* observes that this concerns the British taxpayer rather than the consumer; but since we who are adult are all taxpayers as well as consumers, the distinction does not seem valuable to me.

"We all wish well to the Australian farmer, but it will not be obvious to the British taxpayer why he should pay £4,750,000 in one year to maintain the prosperity of the farmers in Australia. It will be still less obvious when he reflects that apart from Government interference with the natural development of British farming, we could produce this meat more cheaply for ourselves. Through

Government interference, arable land in Britain has increased by 50 per cent since pre-war years. We are paying subsidies to Australian farmers for meat we could be producing here, and are growing crops we could import more cheaply from abroad.

"The purpose of these subsidies, say *The Times*, is to stimulate meat production in Australia and to provide a market for surplus production in Australia. They are admirably adapted to their good purposes, but are these purposes the legitimate interest of the British taxpayer as such?"

## Builders at Loggerheads

THE annual conference and the annual luncheon respectively of the Amalgamated Union of Building Trade Workers and of the Federation of Master Builders were held in Skegness and London last month. Judging from press reports, neither Mr. Harry Weaver, in his presidential address to the workers, nor Mr. Graham Page, M.P., in remarks to their employers, said anything about the land question. The omission (although not uncommon) was distinctly odd, for houses do not float in thin air, and the land question is of vital importance to everybody in the building industry.

Mr. Weaver berated the Tories. The Government had made no attempt to control profit-making or to curb the "gambling in higher financial circles." While that is true enough, it is neither here nor there. His men would have to seek work in some other occupation if their employers saw no prospect of making a profit from their operations. The reference to "gambling" is equally irrelevant: gains and losses equate and are confined to those who engage in this pursuit. They do not affect the fortunes of men on the building sites. Mr. Weaver complained that prices in the building industry were geared to suit the least efficient producers (this is a sure sign of monopoly) and that the industry was lagging behind others in introducing modern methods and techniques. If the first charge is true the second follows almost automatically. It is merely another way of saying that competition provides a constant spur to improvement, invariably to the ultimate advantage of the consumer, and that interference with the free play of supply and demand is always harmful. Since 1938, Mr. Weaver said, the cost of house-building had increased five-fold while wages had increased three-fold.

### WHOM TO BLAME?

Mr. Page told the Master Builders that the building industry was in danger of pricing itself out of the market. It was terrifying, for example, that the price of the three-bedroomed council house had risen from 25s. to 33s. a square foot—£1,300 to £1,700 in 6½ years. "I don't know whom to blame—the builders, the building material producers, or the trade unions—but it looks as if someone is practising a sort of brinksmanship, bringing the industry near the brink of disaster if this price rise goes on."

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To the outsider it appears little short of a miracle that anything is ever built at all. Before operations can begin the extravagant demands of the land speculator have to be met. (See "Public Enemy Number One, page 108). Every item used is protected by a swingeing tariff duty, restricting or preventing foreign competition, with the result that many building materials are produced by domestic monopolies. Fixed price tendering is rife and it is a matter of common observation (quite apart from what one reads in the press) that building workers tie themselves hand and foot with restrictive practices within a rigid caste system that prevents the carpenter from handling a paintbrush and the plumber a trowel. Many there are who lack the means to run this robber gauntlet. The result is writ large across our fair country. Masters and men in the building industry should stop bickering and join forces in a determined onslaught on privilege and restraint throughout their industry, starting with the land monopoly. They—and their customers—have everything to gain—and nothing to lose—from land-value taxation, free trade and genuine competition.

### MONOPOLISTS' CONSPIRACY

CO-OPERATION of a most sinister kind between the building workers' union and the Master Builders' Federation came to light shortly before their annual meetings. On May 29 the *News Chronicle* reported that Mr. Patrick Byrne had lost his job as foreman bricklayer because a member of the Federation had seen him doing week-end building and had reported him to the union.

Mr. Byrne told the *News Chronicle* reporter: "I was

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