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## LIBERAL ASSEMBLY AND THE UTHWATT REPORT

The Annual Assembly of the Liberal Party, held in London, July 15th to 17th, declared in favour not only of State control over all undeveloped land outside built-up areas, but also of payment of compensation to the landowners for what is called their development rights. The resolution in fact endorsed the recommendation of the Uthwatt Committee for buying from the landowners the speculative or potential building value of all land surrounding the towns. The adoption of such a proposition by the Liberal Party is a reversal and betrayal of all that it has stood for in the name of land value taxation, which was to be the instrument for breaking down the land monopoly, for making land available and cheap, besides providing public revenue by appropriating the rent or value of land for the common good because it belongs of right to the community as a whole. Little chance was given to discuss a matter which was so vital and momentous. It was part of a general declaration on land and housing which was moved for the Executive by its spokesman, Mr. A. S. Comyns Carr, and the debate was closed after two brief time-limited speeches in opposition from Mr. Ashley Mitchell and Capt. A. R. McDougal, on behalf of a number of associations which had submitted amendments to eliminate this Uthwatt land purchase and landlord compensation plan. The decision was rushed. There was confusion in the voting, making several recounts necessary, and the resolution was declared carried by a small majority. Such resolution having been adopted, it would have been futile and absurd to press for those later amendments on the order paper, even if opportunity had been given for them (instead of the closure being applied), which aimed to put the land value policy in its right place and in correct terms. The land purchase scheme and the establishment of the State as supreme land monopolist would cancel out land value taxation and make it purposeless so far as any land outside the built-up areas is concerned. There would be left only the land inside the built-up areas where any land value taxation could be applied, but the anomalies and injustices that would arise are patent. The Liberal Assembly has allowed itself to be stultified by passing blindfold as it did a declaration that embodied, with compensation to one set of landowners, rates or taxes levied on another set, situate on either side of the arbitrary line that the Uthwatt Committee proposes to draw around what are to be defined as built-up areas. Make that boundary or demarcation where you will, there will lie on either side of it land of given value and the result will be

(according to the proposals made) that landowner A will be compensated for depriving him of his development rights, whereas his neighbour landowner B across the line will not only get nothing but will have to pay whatever taxes the Uthwatt Committee or the Liberal Assembly (which goes further than it) think to assess upon land values. This suggestion is folly, so obvious is it that the juxtaposition of two absolutely conflicting policies could not work. The sincerity or honesty of the intention is seriously in doubt.

It is well to look again at what is meant by the development rights which it is proposed the State should acquire by purchase. The term is an evasion. No such landlord right exists. The development value of undeveloped land, like the value of all land apart from improvements, is a community product and is by right the property of the community; but the amazing proposition is now made that the community, the State, the taxpayers, must buy back this value from the landowners as the price of permitting development to proceed; the speculative or potential value of the iron belt of monopoly around the towns being a special item in the extraordinary transaction. No law, no ethic has made the rent of land the personal property of any landholder. It is the absence of law and of good order which prevents the community from enjoying and benefiting by the land-value which is indisputably its own creation from day to day, yesterday, today and tomorrow. The failure to appropriate the rent or value of land for the common good has established a landlord power to withhold land, against a price which obliges the producers of wealth to sacrifice so much of their earnings to a purely parasitic interest. This then is the "development right" which the Uthwatt Committee would confer upon a private privilege, and which the people are asked to accept and acknowledge as against themselves, transferable only at the cost of redemption, with the cost taken, as it must come, out of the produce of their labours.

The value of land is either public property or it is not, it either belongs to the landholders or it does not. These extremes cannot meet nor is there any mid-way position. But in the most plausible of its arguments, the Uthwatt Committee, accepting and asserting landlord rights, propose to give less in compensation than is equal to the total actual value of the rights in question. At once their own principle is compromised and only innocents can imagine that the landowning element would let that pass without the most furious opposition.

The idea of the global sum payable is too obviously a trick, in their eyes. On the other hand it is this feature of the report which has attracted the unthinking into the belief that an expropriation of landlord privileges is about to take place at a cheap price, with prospective profit to the State as the new owner, expelling the private monopolist and giving full scope to the control by public authorities, which is the ambition of the new vogue called planned economy. To these unthinking and misguided people the scheme is attractive as an anti-landlord move. The Uthwatt Committee, playing that card, assume that if all undeveloped land were to come into the market for purchase in one lot, the price would be less than the total sum if the land came into the market piecemeal as it does today. But as the Committee does propose an all-at-once and universal purchase, the price should be no more than is based upon the hypothesis with which the argument begins. Thus a "global fund" would be fixed which would be shared among the landowners concerned in proportion to the actual market value, if sold piecemeal, of each owner's individual development rights. For illustration, if the global fund was fixed at say £300 million and if the total actual value of all development rights (as ascertained upon valuation of each separate piece of land) adds up to £500 million, the compensation each owner would receive would be three-fifths of the proved and declared true value of what is alleged to belong to him. An overriding proposal is however made that where land is "dead ripe" for development, something extra would be given in compensation to make that nearer the true value, and the global fund would be supplemented for the purpose. By that exceptional treatment not only would the greatest ransom be given where the community has done most to enhance land values but also absurdly differential sums would be payable in compensation for land of equal value according as it is or is not up to some standard of "ripeness" as set by arbitrary standards and opinion open to dispute. Moreover since the potential or speculation value of all undeveloped land is to be purchased and only a small proportion of it is ever likely to be developed for building purposes, many landowners would receive a gift of public money for nothing whatever. The more the scheme is examined the more grotesque it appears.

The amount of the proposed global fund is not stated. The Uthwatt Committee has astutely ventured no estimate. The matter is flippantly dismissed with the remark that it is "outside our province;" the amount should be fixed by the Government "after taking expert advice"

and when it is paid (and added to the public debt) it should be regarded as "of historical interest only". A blank cheque is presented which with equal flippancy is signed by political assemblies and is endorsed by organs of the press calling themselves progressive. Once the concession is given that there be this land purchase at an unnamed cost, there will be no stopping the rot. Between the time when any Bill was promoted for the purpose and the final Act is passed, whatever figure government experts may put down as a guess, for they can only

guess, is certain to be increased under pressure from the interests involved. No one could foretell to what the country had been committed.

The plan of the Uthwatt Committee far from expediting and facilitating development, will retard and obstruct it. The cumbrous procedure requires the demarcation of the built-up areas, the prohibition against development except under licence by the State, the arbitration necessary to purchase the land from owners after the development rights have been acquired and the leasing of the land

to the developers. The intricacies and complexities, the opportunities of interested parties to obstruct at each stage, are too many to attempt to describe. Many of the other proposals made for amending and improving the existing Town Planning legislation are unexceptionable. It is the land purchase scheme of things to which objection is taken and which must be stoutly resisted by those who hold to land value taxation as the just and effective means to liberate the land and promote its development.

A. W. M.

## LORD WEDGWOOD

The death of Lord Wedgwood at the age of 71 will be a heavy blow to his many friends in the various movements with which he was associated, and not least to land reformers. For more than forty years he was an outstanding figure in the advocacy of land-value taxation.

Wedgwood was born of one of those families, which it is now fashionable to call bourgeois, which have contributed so much to liberal and radical thought both in political and other fields. He was educated at Clifton and the Royal Naval College at Greenwich. For some years he worked as naval architect at Elswick Shipyard. During the South African war he served first as a captain with the Elswick Battery and after with General Birdwood's cavalry brigade. After the war he was resident magistrate in the Ermelo district of the Transvaal. Here, on the advice of his brother Ralph, he first endeavoured to put the taxation of land values into operation.

Coming back to England he became deeply conscious of the importance of Henry George's ideas, and sought election to Parliament as one means of advocating them. In 1906 he became member for Newcastle-under-Lyme, which he represented continuously until his elevation to the peerage in 1941. Soon after entering Parliament he became Secretary of the Land Values Group, which did most valuable work in the period from then till 1914. During all this period he was an untiring exponent of land-value taxation, both inside the House of Commons and in the country. He was a member of the Northern Nigeria Lands Committee which, in a report that must always be a classic, first laid down in clear and coherent terms the principles upon which colonial land policy should be founded. As a result, there was enacted into law, and came into force on 1st January, 1911, what *The Times* described as "the most far-seeing measure of constructive statesmanship West Africa has ever known." Colonial administrators and others interested in such questions are even yet unfamiliar with this profoundly wise legislation directed to ensuring for all time that the natives of Nigeria should not become a landless and exploitable proletariat but should have safeguarded for every one of them equal opportunity to use the land and for all of them collectively whatever value should attach to it not as a result of individual labour, but of economic development and common effort.

In 1914 Wedgwood served with Churchill's Royal Naval Brigade at Antwerp and in France. In 1915 he took part in the Gallipoli landing, was twice

mentioned in dispatches, won the D.S.O., and was severely wounded. He was a member of the Mesopotamia Commission, then Assistant Director of Trench Warfare, and afterwards was sent on a special mission to Siberia.

At the end of the War he became first an Independent and then a member of the Labour Party. For three years he was vice-chairman of the Labour Party, and in the first Labour Government was Chancellor of the Duchy of Lancaster.

He did not again hold office, although he continued to be an active member of the House of Commons until his elevation to the peerage in December, 1941.

He was a man with a great variety of interests. The history of Staffordshire, of the Wedgwood family, and finally of Parliament, which he initiated and partly wrote, but which still remains to be finished, were one field of activity. The Zionist movement and every effort to secure freedom from oppression received his fervent support. The slightest hint of injustice or misuse of power roused his indignation. Most of all, tenaciously and consistently, in season and out of season, he seized every opportunity to advocate the taxation of land values and the philosophy of Henry George. Of his writings, particular mention may be made of *Essays and Adventures of a Labour M.P.*, *Memoirs of a Fighting Life*, *Testament to Democracy* and the Penguin anthology, *Forever Freedom*. These reveal in some measure the texture of his mind, and his passionate love of freedom in all the aspects of life; but those who enjoyed his friendship will always treasure the memory of a spirit which was at once kindly and passionate, free from self-seeking, simple and spontaneous, and ever devoted to the welfare of his fellow-men.

*The Times* and the *Manchester Guardian* obituary notices (27th July) contain other details of his life and activities. From the latter we may quote this tribute:—

His great width and variety of experience, his important personal connections, and his bold, forceful character rendered him a valuable colleague, even though his individualist instinct and his intense pre-occupation with Single Tax were at times difficulties. . . .

"Josh" Wedgwood—the nickname is proof sufficient—was always popular in the House of Commons, the dark, lean, aggressive Single Taxer and divorce law reformer of pre-war years hardly less than the mellower, though still uncompromising, fighter of the last phase. Such passionate sincerity as his always wins respect in the House of Commons, and when it is salt to a personality so arresting,

downright, and utterly English as Josiah Wedgwood's, affection inevitably follows. Cobbett or Scawen Blunt would have known him for a spiritual brother. He was of the true line of the pugnacious libertarians. There was pugnacity in the projecting chin which was always, metaphorically speaking, being pushed in the face of oppression, whether it was oppression in the mills of Bombay or in the Indian States, or in Hitlerite Germany. There was something even pugnacious about the square set of his broad shoulders, and his speeches were like nobody else's. They got white-hot and yet they were always controlled; they were marked by appreciable pauses, during which the speaker gathered himself for a great effort at concentrated expression, and the effort often issued in a burning phrase. This vehement mind seeking the vehement word was an heroic sight and a rebuke to so many "light half-believers" who throng every party. There will be no one again quite like Josiah Wedgwood. The mould of him was all original.

To Lady Wedgwood and his children, and to all who have lost in him a dear and valued friend, we tender our sincere sympathy.

The basic evil in the economic condition to-day in our own and in other countries is that, while valuable land is all "taken up," there are vast quantities that are not in use, but merely held for speculation. This is the natural result of the present taxation system which fosters speculation at the expense of trade, building, manufacturing and agriculture. The taxation of land values would incline things the other way. It would foster useful trade and industry at the expense of speculation.

To be more specific, I believe that the land-values tax, by correcting this radically wrong condition, would make it easier to own and keep a home with some ground around it; easier to own and run a well-kept and developing farm; easier to establish and operate a manufacturing, mercantile, transportation or other useful business; to diminish the overcrowding of cities and to do away with slums; to make preventive medicine effective; to reduce rents, lower the cost of living and raise wages; and besides all this would tend to increase the comforts and security of life for all who usefully participate in the work of the world, whether by hand, brain, or capital—whether in city or country. It should make us a nation of landowners and home-owners. There is land enough.

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