

No Mere Fiscal Reform

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"... Paternalism has been confused with social justice."

LOOKED at purely from the point of view of taxation, it can be shown that land-value taxation has distinct advantages over the taxation of labour, capital, and trade. Chief among these advantages are:

1. The land-value tax cannot be shifted on to the price of commodities, nor can it be added to house, office or factory rents
2. It acts as a distinct incentive to use land rather than to hold it idle or under-used—the tax being payable regardless of use.
3. The tax does not increase with increase of effort, initiative and enterprise.
4. The land-value tax is raised or lowered in accordance with the economic advantage attaching to the land at the time of valuation, or between valuations in certain special circumstances.
5. Once the valuation has been made, subsequent valuations are more easily made.
6. Evasion and avoidance of tax is virtually impossible.
7. Impartiality is assured by land value maps (as in Denmark, New Zealand and the Whitstable experiment) which would be available for all to see.
8. It has been proved practicable by its application in other countries and where in these instances it differs from the ideal it is only in degree, not in principle.

The above are economic considerations. If we accept the moral distinction between individual claims to land values and individual rights to values residing in the products of man, then we have an even greater sanction for deriving community revenues from land values.

Were the argument left there, land-value taxation would have much to commend it. However, most advocates of the land-value tax are not tackling the problem of taxation as such. They begin their argument at a different point.

Throughout history the "land question" has directly or indirectly been at the root of almost all social distress, wars, famine, oppression, serfdom and poverty, and the relationship of land tenure systems to poverty, revolution, war and the rise of communism can be clearly seen today.

In the more developed countries the relationship between land systems and social problems is less obvious, but it is often indicated by unemployment, slumps, persistent poverty and the growth of "welfare state" systems and "wars on poverty" in an attempt to mitigate its effects.

The world has not lacked social reformers, and far too many have regrettably concerned themselves with effects rather than with causes, though often inspired with

the highest motives. Even those who observed the significance and importance of the "land question" as a root-cause of poverty, had not the insight either to choose the best method of reform or to avoid confusing it with quite separate economic and moral issues related to the maldistribution of wealth.

Thus it has been that while the great Russian revolution and the more recent revolutions in Egypt, Cuba, China and elsewhere were basically revolts against ruthless land monopoly, the uneasy regimes that have emerged indicate that wrong remedies have been applied; *land has been confused with capital, and state direction and paternalism confused with social justice.* It is not surprising that the result has been the creation of problems as deep as those the revolutionaries sought to eradicate. Even where there have been land reforms without revolutions, concessions to the landless have been clumsily and parsimoniously applied. Land redistribution in the predominantly agrarian countries has always been piecemeal and neither equitable nor practicable—laying the foundations of further inequity and discontent.

There are but two primary factors of production—land and labour; thus all economic activity and the distribution of wealth in society is determined in the very first place by man's economic and social relationship to land. Industrialisation and technological advance obscures but does not alter this fundamental truth.

Land reform is not the only reform necessary, but it is the first; it is the reform which will make all other reforms easier; and until land reform is regarded as a fundamental, all other reforms will be patchwork, often bringing with them problems of another kind, and most specifically those associated with loss of liberty.

MONEY FOR OLD ROPE

TO help to increase their profitability, firms of between twenty-five and 500 employees in the Bristol and Glasgow areas can obtain grants covering 50 per cent of the cost of employing consultants or other expert advisers, announced the Board of Trade, June 11. The grants will normally range from £125 to £5,000 (for assignments costing between £250 and £10,000) but grants for assignments costing over £10,000 will be considered. All industries, including the service and distributive trades, are eligible for these grants unless they are already able to get Government assistance from existing schemes of this kind, e.g., farmers and growers who have access to a free advisory service.

Consultants may be employed, after Board of Trade approval, to advise on a wide range of subjects, provided such advice is likely significantly to improve the efficiency of the firm that engages them. The scheme is a pilot scheme and may be extended to the whole of the country if judged "successful."

It is enough to make Adam Smith and Karl Marx turn in their graves—though for opposite reasons.