

wages and his products were untaxed, and if he could trade freely with overseas workers the goods he produces. Involuntary unemployment and the fear of it would then be removed, and the trade unionist's noble ideal of the universal brotherhood of man would be immeasurably advanced. Trade fosters friendship: protectionism breeds fear and mistrust.

PATHS TO PRIVATE FORTUNES

A BIG increase in the future British roads programme was announced by Mr. H. Watkinson, Minister of Transport, in the House of Commons on July 22. During the four financial years, 1958-62, road improvement works in England and Wales, which will ultimately cost the Exchequer £240 millions, will be started—an increased expenditure of about £100 millions. This, he claimed, was “a very considerable advance on anything this country has so far done on roads, comparing more favourably with what any other comparative country is doing, except perhaps America.” His plans were subject to the national economy being prosperous and buoyant enough to support their cost when they come to be committed. The Government was not prepared to use legislation so that the process of purchasing land for roads might be shortened; they would not take away from people the right to object if their land and buildings were taken from them.

As stated, the cost of these road works will be thrown on to the exchequer—the taxpayer will pay for them. But the principal beneficiaries will be the recipients of the rent of land. The following extracts from the American press, (compiled by the Henry George School in Los Angeles) show how.

“Average cost per individual land parcel (to the State for Hollywood Freeway right-of-way) has skyrocketed from \$2,370 in 1945 to about \$10,000 at present.”—*Los Angeles Times*, April 8.

“I remember a 23-acre tract near Syracuse, N.Y., which was worth \$100 an acre before the Thruway. It was sold, when the road was finished, to a machinery company for \$46,000. Along the Northern Sacramento Freeway in California, land sold for \$600 an acre in 1947. Two years later, after the new road was opened, the price was \$1,000 an acre. By 1950 an acre was selling for \$7,000 and a year after that for \$10,000.”—From article by Bertram Tallamy, Federal Hi-way Administrator designate, in the *American Weekly*, January 13.

“Near Buffalo, N.Y., the per acre price (1950-57, as a result of the Thruway) has risen from \$500 to \$5,000 . . . Along Massachusetts Highway 128 land that sold for \$50 to \$100 an acre before the route was built now goes for \$5,000 to \$10,000 an acre. Near the Watterson Expressway in Louisville, Ky., a real estate specialist has traced the rise in front-foot prices in six years from about \$30 to more than \$300. At Pittsburg, Pa., a real estate man reports that land he could have bought not many years ago for \$100 an acre today is selling for \$500 a foot front on a service road leading from Pittsburg to a

major interchange on the Pennsylvania Turnpike.”—*U.S. News & World Report*, April 5.

FAIR BASIS FOR LOCAL TAXES

THE SURVEYOR & Municipal & County Engineer, August 10, in an editorial critical of the Government's proposals for local government reform, commented:

“The weakness of local authorities stems from lack of financial resources to carry out the duties laid upon them. Weakest of all are the rural district councils. How could it be otherwise when agricultural land is derated? The utter dependence of the rural district council on exterior sources of revenue puts it in a hopeless position.

“The Minister's proposal for establishing new district councils where possible so that the market town and the surrounding rural area come under one authority will not help with this problem. All it will do is make the town pay for the country.

“If any authority needs a new source of revenue more than another it must be the authority whose area consists almost entirely of agricultural land. County councils whose districts lack urban areas are in the same position. It is indeed a grave matter for them to lose the rateable value of an urban district on its attaining county status. It leaves them with the derated land.

“How can it be said that rural districts cannot have another local source of revenue? Plainly, the land in their area has value, often a high value. If this were rated there would be revenue enough. *It is difficult to think of a fairer basis for rates than the value of the land in any area.* It expresses with a neatness which cannot be surpassed the benefit which the landholders receive from the general prosperity of the area and the local services which it enjoys.” [Our Italics, ED. L & L.]

Vested interests have made local government finance a politically contentious subject. But when a practical man views the matter with dispassionate objectivity—as we may assume the author of the foregoing to have done—he has no difficulty in offering a true diagnosis and the appropriate prescription—*repeal agricultural derating, rate land values.* Yet the Government, after a most exhaustive examination of every aspect of local government, refuses even to mention (let alone to legislate for) this policy. However disastrous may be the consequences to the local authorities, and to industrial, commercial, residential and other interests, it is determined to placate the privileged rent recipients.

THREE WISE MEN

A JUDGE, an emeritus professor of political economy at Cambridge, and a chartered accountant have been appointed by the Government to form a completely independent Council on Prices, Productivity and Incomes. They are: Lord Cohen (chairman), Sir Denis Robertson,

Land & Liberty

and Sir Harold Howitt. There is no precedent in this country for such a body which will report "directly to the public" and not to any Minister, although the Prime Minister or the Chancellor will reply to any parliamentary questions on its activities.

To grant these three eminent gentlemen facilities for making known their views cannot possibly do any harm. Whether any good will emerge from their investigations will depend largely upon how they interpret their terms of reference. These are: "Having regard to the desirability of full employment and increasing standards of life based on expanding production and reasonable stability of prices, to keep under review changes in prices, productivity, and the level of incomes, including wages, salaries, and profits, and to report from time to time."

The words "full employment" may prove the stumbling block. They have come to be synonymous with the Keynesian policy of "controlled inflation," and it is this policy which is responsible for rising prices, industrial disorders, and so forth. If the Council places that interpretation up the words, and treats that policy as sacrosanct, its labours will be in vain. But if the cold logical brain of a judge is brought to bear on the problem, and Lord Cohen enquires whether there is some other way of ensuring that all who wish to work may be free to do so, the Council could render invaluable service to the nation. It will also have to ask itself whether "reasonable stability of prices" is not a euphemism for the "rising prices" which are evidence of a canker in the nation's economy, the natural tendency being for prices to fall as productivity increases.

We sympathise with the members of the Council in the task confronting them. They will be subjected to a barrage of special pleading, to charges and counter charges, and to a welter of misleading, superficial statistics. To succeed they must ignore all this, and false modern economic theory, and make an impartial study of the factors governing the production and distribution of wealth, and the nature of money. They would then be in a position to tell the nation that solution of present economic problems requires that the Government should:

- (1) tax land values: that would make possible a reduction of present repressive taxation and would stimulate economic activity of every kind;
- (2) remove tariff barriers and other restraints to trade: that would lower prices; and
- (3) live within its income: that would end inflation.

BEHIND CLOSED DOORS

THE Irishman who asked, "Is this a private fight or can anyone join in?" should have called at the Treasury Chambers on August 26. The Chancellor of the Exchequer, Mr. Thorneycroft, presiding, persuaded the special meeting of the National Production Advisory Council on industry that publication might hamper the free exchange of opinions. Inflation was under discussion, the leading part being taken by Lord Citrine, chairman of the nationalised Central Electricity Authority. Accord-

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ing to press reports, representatives of the T.U.C., the F.B.I., the National Union of Manufacturers, the Chambers of Commerce and the British Employers' Confederation offered advice, suggestions and specific criticisms of the Government's measures for dealing with the problem. Union leaders are said to have come away with no clear idea of any new plans the Government may have or whether any have been prepared, and one is said to have dismissed their proposals as "airy-fairy."

If, as we assume, the air was thick with mutual recrimination and a general talking round the subject, nobody pointing out that the fall in the value of the currency is due to the Government attempting to bridge the gap between income and expenditure by resort to the printing press, it may be well that the occasion was shrouded in secrecy. But, in a mature democracy, opinions on matters of vital public concern should not be withheld.

REACHING THE TRADE UNIONISTS

NEARLY two hundred extra copies of our previous issue were bought by trade unionists. A letter was sent to every trade union branch listed in the 19 classified telephone directories covering the whole country. In part this stated: "Trade unions are *not* responsible for inflation. Wage demands *follow* the fall in the purchasing power which is the direct result of the Government's inflationary policy. Trade unions should make this quite clear at every opportunity but in order to do so they must understand the mechanics of inflation." This was supported by a quotation from our article, "Inflation—*Facts and Fallacies*," and an invitation to send for a copy of the journal. Among the unions which ordered 6 or 12 or more copies were the Yorkshire Cotton Operatives, the Dyers, Bleachers and Textiles Workers, Bradford, Scottish Painters, Glasgow, N.A.T.K.E., Manchester, and the Woodworkers, Newcastle.

The three articles on inflation were reprinted as a 4-page folder and sent with a press notice to more than 200 newspapers and political reviews, and with a covering letter to every Member of Parliament.

Copies of this leaflet are available free on request.

WHO STRIKES THE MATCH?

LABOUR and management were inferentially charged with being jointly responsible for causing inflation in the United States by Mr. Walter Reuther, president of the United Auto Workers' Union. Showing a political acumen considerably greater than his knowledge of economics, he offered what he called "a positive and practical proposal for . . . stopping and reversing the inflationary trend." This was contained in a letter last month to the three leading motor manufacturers in which

FORM OF BEQUEST

I bequeath, free of duty, to the United Committee for the Taxation of Land Values, Limited, the sum of £.....