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EDITORIAL

The "House-of-Have" Left Undisturbed

PENAL, socialistic taxation," which Conservatives at their conference in October urged should be "boldly reduced," received no mention in the Queen's Speech to Parliament on November 5. One surmises that it is to be continued. There was similar reticence about any reduction in the level of Government spending. The only item in the Gracious Speech which holds any promise of improved economic conditions was the pledge that inflation would be "restrained." We take this as meaning that the Government do not intend to debase the currency further by pumping more promissory notes into circulation.

Agriculture and fishing are to remain "supported," tariff legislation will be reviewed and codified, and the Government remains mustard keen to promote what we call European Preference and what they call European Free Trade. It is still the Government's view—which the Prime Minister voiced during the ensuing debate on the Address—that on the one hand Britain must not pay too high a "price" to join the proposed Free Trade Area and "equally, none of us can afford to let the negotiations fail, for the price of failure may be very heavy indeed." A pretty dilemma. How "we" or "Britain" can pay too high a price for the opportunity to buy goods more cheaply from certain countries is never explained. One can see, however, that a government might lose the political support of particular protected interests suddenly exposed to overseas competition. Perhaps unconsciously Mr. Macmillan tends to equate the electoral fortunes of his party with the welfare of the whole body of consumers?

Legislation will be introduced to reorganise local government in England and Wales, to "adjust" instead of repealing the present wrongful local taxation system (by which buildings are taxed and privileged farm land and vacant sites, however valuable, are tax-exempt), and to "adjust" the system of Exchequer grants to the local authorities—grants which are necessary because councils are denied access to their proper source of public revenue, the rent of land.

Some Scottish landowners are promised a bonus. The value of their land is going to be enhanced—by improving agricultural drainage. There is no hint in the Queen's Speech, nor any reason to suppose, that the cost will be borne by those benefited.

Certain powers relating to the compulsory purchase of land are to be repealed and, so far as may be necessary, replaced by statutory provisions. Grave injustices have been, and are being, done under existing powers. While holding firmly to the view that the whole rental value of land belongs of absolute right to the whole community, we expect to be able to support this proposal when it is published. But without a valuation—such as is made periodically in Denmark—of all the land in the country, it is difficult to see how owners of compulsorily acquired land shall receive neither too much nor too little compensation.

The noxious disciplinary provisions of the 1947 Agriculture Act are to be repealed. They have been used to evict farmers from their holdings on the grounds of bad husbandry. Some farmers fear, and we hope, that the withdrawal of the "stick" will be followed by withdrawal of the "carrot"—the subsidies, guaranteed markets, and so on. Food production, like every other economic activity, should be subject only to the discipline of the free market. Meddling politicians with their bribes and fines, here encouraging, there dissuading, are a needless drag on production.

A most welcome feature of the Queen's Speech was the promise to introduce legislation to give effect to certain of the recommendations of the Committee on Administrative Tribunals and Enquiries (the Franks Committee). The Committee laid down three main principles—openness, fairness and impartiality—and made some ninety specific recommendations. The Committee's report was debated in the Commons on October 31.

In summary, the legislative programme for the new session will leave vested economic privilege entrenched, but will remove or relax certain tyrannical features of

existing laws and administration. Pensions and various other benefits will be increased (to offset the effects of inflation), and certain social reform measures will be put in hand. The Government's whole approach to economic problems remains dominated by the false ideas that privately created wealth is a proper source of public revenue, that community-created land values are a proper source of private income, and that in any trading transaction, he who sells gains more than he who buys. It would be screamingly funny if it were not so flagrantly unjust and so abysmally harmful to the community at large and the individual citizen.

P.R.S.

Notes of the Month

MINE IS AN UNENVIABLE JOB

"THERE is a jolly good case against any tax in this country. I cannot think of any one that I could not riddle with criticisms." Thus spake the Chancellor of the Exchequer if he was correctly reported by the *Sunday Times*, November 10.

Presumably Mr. Thorneycroft was referring to existing taxation? If so, we agree. And if so, why does he not introduce a tax on land values? If he thinks that he could riddle that with valid criticism (and we do not know) he is sadly mistaken. Many have tried to do so: none has succeeded.

Incidentally we recall a similar remark by one of Mr. Thorneycroft's predecessors. Mr. R. A. Butler said (H. of C., 30 April, 1952): "I hope that I am a healthy Chancellor of the Exchequer when I say I regard all taxation as bad. There are only degrees of evil in the incidence of any particular levy."

WHOSE HAND AT THE WHEEL?

THE rating of site values was mentioned by Mr. Henry Brooke as one of the "alternative sources of local revenue, in addition to rates" which had been suggested to the Government, when he addressed a luncheon meeting of the National Union of Ratepayers' Associations in London on November 25. This passing remark by the Minister of Housing and Local Government is the first Ministerial reference to site values we have seen in the context of the proposals for reorganising local government. Mr. Brooke continued:

"All of these suggestions were thoroughly considered, but *we were driven* to the conclusion that none of them would be really satisfactory and that the tried system of local rates does really provide the soundest basis for local finance." (*our italics*).

The present rating system is so patently unsatisfactory in every respect—it is punitive and inequitable; it requires needlessly costly revaluations; it deters development, adds to the cost of occupying premises of every kind and makes land needlessly dear—that one questions the claim that land-value rating, which has the opposite effects, was considered thoroughly. More likely is that the matter was dismissed out of deference to the large land rent-receiving interests who support the Conservative Party. The words "*we were driven*" recall a passage in the letter which the then Prime Minister, Mr. J. Ramsay MacDonald, wrote to the United Committee in May, 1934, when the so-called National Government repealed the Land-Value Tax—"it may be argued that the step which has been taken indicates the power of certain interests."

THE HORSE-AND-CART BOY

SIX years ago the Conservatives were returned to power in Britain pledged to "set the people free."

Four years ago 13-year-old Derek Wiscombe, of Jarrow, started his own firewood and removal business with a horse and a ramshackle cart. By hard work and abstinence he has now saved enough to buy a lorry and give his customers better service.

Last month he applied to the Newcastle Licensing Committee for a carrier's licence. Two firms opposed his application. One was Pickfords, which also was started by a boy with a horse and cart, and which today is a vast nationalised concern. Giving a foretaste of what could be expected if the Labour Party's plan to nationalise 600 large firms "by the back door" materialised, they objected that he was "too enterprising." The other was Tyneside Removals. For want of a better term, it might be described as a free enterprise concern. Its head, Mr. Douglas Jackson, was frank in his objection. As reported, he said: "Wiscombe is a person who will work around the clock and would be a threat to our business if he was granted this licence. In five years he might replace us in this town."

Wiscombe's application was rejected—on procedural grounds—but he is free to try again. We wish him good luck. But our concern is not just for one young man. We are utterly opposed to the whole tyrannical system of licensing. It prevents some men from doing what they have an absolute right to do. It gives others an unfair advantage. Neighbour is set at neighbour in a bloodless civil cold war. Competition is restricted, so that prices rise and quality falls. The Licensing system is an abuse of the power of government and a contributory factor to its crippling cost and pervasive influence. It should be abolished.

BETTER ROADS, CHEAPER HOUSES

THE Liberal Party Council, meeting in London on November 9, had before it an interim report submitted by the party's Road Committee. This recalled the 1909 Liberal measure which established the Road Fund on the principle that the cost of building and maintaining

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