

high repute with whom I was slightly acquainted. Very kindly and at considerable length he criticised my thesis and suggested that it held much in common with the teachings of a nineteenth century American political-economist, Henry George, whose book, *Progress and Poverty*, he sent to me at Christmas, 1954.

"Then felt I like some watcher of the skies
When a new planet swims into his kin."

Here, lucidly, rationally and completely unfolded, was the knowledge which I had by a series of accidents stumbled upon and as yet but barely comprehended. Here was the theory which I had attempted to establish empirically, rounded out, completed and unshakably supported by the deductive process on a few economic and moral axioms.

With this knowledge, coupled with practical farming experience, it was possible for me to make a much deeper analysis of the Irish situation. Briefly, this revealed an economy whose industrial and commercial sectors were so overloaded with taxation and government imposed restrictions that they could only hope to operate at high prices and therefore behind a tariff wall, with no prospect of expanding into export markets. Agriculture practically alone provided the substantial export surplus with which to engage in foreign trade. But while the prices of farm produce were determined within narrow limits by the prices obtained for the exported surplus on the world's markets, costs were adversely affected by severe tariffs and numerous other price-raising restrictions. It became obvious that so long as stupid restrictions were imposed and maintained by governments under pressure from insatiable vested interests, the Irish people would be denied the fruits of social progress and the benefits which could accrue from better farming.

Ireland today presents an object lesson in the evils that result from monopoly of land, and its seemingly inseparable concomitant, trade protection. If the barricades are not down, if our legislators do not adorn the lamp-posts, if murder, fire and pillage no longer stalk the land in agrarian agitation, it is not because old wrongs are righted but because new symptoms are too easily removed. The causal evil remains and the nation, the body politic, is inexorably decaying as a result. The internal pressure that would otherwise develop and compel some solution of these problems is prevented by all too easy emigration. (Much of this Henry George foresaw in his book *The (Irish) Land Question*). The emigrant ships remove some of the embarrassing symptoms of serious social maladjustment. But they also take away the consciousness, the spirit and pride, the quiet self-confidence of nationhood and feeling of belonging to no mean city. Into the vacuum there floods a spurious, self-consciously aggressive patriotism that reveals itself in incontinent symbolism, verbose protestations of righteousness and a dismal xenophobia.

What are the prospects of improvement? We are "all tarred with the ain stick" of monopoly, each in his niche concerned solely to carve deeper for himself without

thought of the general social good. The farmer bristles at his present hardly more than nominal land taxes, and demands guaranteed prices for all sorts of products that could be produced better and cheaper elsewhere. The industrialist and the industrial worker demand tariff protection. And so on. Monopoly is widespread and deeply entrenched. Its victims—those who could be relied upon to press for change, have for the most part disappeared. Yet I hesitate to say that the Irish are irrevocably fated to be cast among those miserable races who through failure to adopt their institutions to prevailing conditions, have been removed from this globe. To the acute, and perhaps over-optimistic, observer there are factors which seem to hold promise of improvement, if carefully and skilfully exploited.

To the Editor

EUROPEAN TRADE

From Mr. B. A. Levinson, London, S.W.1.

THE Common Market and the Free Trade Area are subjects which raise intensely difficult problems but, in their essence, I venture to urge that they call for more sympathetic treatment than you express.

Freedom of Trade is a world-wide *desideratum*. Naturally we consider it from our own country's point of view but we who are convinced adherents to the cause welcome its adoption by other countries. Is it not therefore true to say that the establishment of Free Trade over a wide area, covering several countries, is an event and a purpose calling for general satisfaction?

Some important qualifications are needed for the United Kingdom of the Commonwealth, but the fear which our late friend A. W. Madsen expressed that, for us, it would be a protectionist manoeuvre I for one do not share.

May I suggest that you return to this engrossing subject from the point of view I have endeavoured to express?

[We regard these schemes not so much as an additional protectionist evil as a mere re-arrangement of existing protectionism. They depend upon the maintenance of trade barriers. Government, not consumers, will determine the pattern of international commerce. Trade will not be free. Readers' comments are invited.—ED., L&L.]

LAND-VALUE TAXATION AT SOUTHPORT

From Dr. Roy Douglas

THE story of land value taxation at the recent Liberal Assembly is extremely brief. None of the selected resolutions made any reference to it whatever. The Bethnal Green & South Hackney Liberal Association sought to introduce an amendment to a general Executive resolution which dealt with taxation, to demand the

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collection of the economic rent of land through Land Value Taxation. The Executive replied by an amendment to this amendment, which merely mentioned Land Value Taxation as a thing we were after. The Bethnal Green amendment was defeated by the Executive one by about 3:2 of the votes recorded. The Executive amendment was finally carried almost or quite unanimously. So the Liberal Party remains committed to Land Value Taxation although it is quite clear that it is not given the prominence that we Land-Value Taxers would wish, and it is equally clear that the vast majority of members of the Party have only the haziest idea of what Land Value Taxation is about.

Where do we go from here? I am not one of those people who set the blame for this on the shoulders of "the leaders," or even of the rank-and-file. The blame lies on us, the Land-Value Taxers. And I feel this point keenly, because I had belonged to the Liberal Party for nine years, and fought a Parliamentary election as a Liberal candidate, before I had any but the foggiest idea myself.

Land-Value Taxers, as a *genus*, used to repel me. They seemed rather like quack doctors, hawking their *nostrum* in the market-place without telling us what was in the bottle. I had encountered dozens of Land-Value Taxers, but I had only once read a clear exposition of what the whole thing was about. Hence I lumped Land-Value Taxers with vegetarians, nudists and Social Creditors as cranks. Since becoming converted myself, I still often say "Oh, save me from my friends."

If Land-Value Taxers wish to exert the full influence which they can exert in the Liberal Party, they must do several things, but the most important is to remove all appearance of being cranks. That will often mean that we must not make for LVT all the claims which we would like to make. If we can show that it is substantially better than the present system of taxation (which should not be difficult), we have done enough to make it generally acceptable. We may then show the clearer minds in the Party something of what the ultimate results will be.

I don't think we are wise to talk too much about "single-taxing." We want to collect the economic rent of land. If this is enough to meet the national budget, then clearly, and tautologically, no other taxes will be needed. If it isn't enough, then other taxes will be needed. Whether a single tax is enough is a matter of pure academic speculation, and it is not vital to our case. But preaching that single-taxing is enough for everything does us a lot of harm with potential converts, to whom we look rather like people whose one object is to persuade the bishops to open Joanna Southcott's box . . .

We have assumed that, because we understand Henry George, anyone who doesn't is a fool or a knave. Most non-Georgeist or even anti-Georgeist Liberals are neither. . . . If we are really loyal to the principles of Georgeism, we will seek to get them put in practice in the government of the country as an even greater good than demonstrating our own intellectual purity at every opportunity.

October, 1957

SHOUT IT FROM THE HOUSETOPS

Mr. Stephen Martin replies to Dr. Douglas

HAVING been unable to attend this year's Assembly, I find Dr. Roy Douglas's report very disappointing. The strictures which he levels at Liberal Single Taxers and others within the movement are completely unwarranted.

Let us get this matter straight. The Bethnal Green amendment proposed an additional sub-section to an Executive resolution on "the Burden of Taxation" which read :

"a fundamentally new taxation system, which involves collecting the economic rent of land through Land Value Taxation instead of penalising work, initiative and investment as at present."

This was out-voted and the Executive amendment to delete all words except "Land Value Taxation" was carried.

Last year the Single Taxers at the Folkestone Assembly succeeded in getting an Executive resolution on the Rating Question withdrawn. This had urged that while farm land should remain totally exempt from local taxation, ultimately full rates should be levied on the (now exempt) farm buildings, and that central government assistance should have been made to farmers to enable them to pay their rates.

At Blackpool in 1948 the Assembly carried an amendment demanding "legislation to levy taxation on the annual site value of land and the progressive reduction of the tax burden on the rewards of labour and the products of industry." This was added to a resolution on "Economic Affairs."

It is therefore ridiculous for Dr. Douglas to say that "the vast majority of members of the Liberal Party have only the haziest idea of what L.V.T. means." Bethnal Green Liberals are apparently better informed.

Any attempt to advocate Land Value Taxation as simply another and additional source of taxation is futile and obscurantist. For example, recently I was at a well attended Liberal committee meeting when the Party attitude to the Rent Bill was being discussed. Member after member offered suggestions as to how the proposed increase in rents could be made *less* arbitrary and oppressive. Not one of them appeared to realise that the rating of land values provided the answer and that for many years it had been party policy.

The Single Tax is the greatest reform of all time as a solution to the maldistribution of wealth and its harmful effects on the wellbeing of society. . . . The march of science and invention has brought great advances in production yet the vast majority of the people are living a hand-to-mouth existence supported by State paternalism. At any moment the dreaded slump can throw millions out of employment.

If as Single Taxers we have the answer, *let us not be mealy-mouthed about it—let us shout it from the housetops irrespective of the company we are keeping.*

in an application for planning permission, which will take about a month to deal with. It is then rejected and the man has 28 more days in which to appeal. All that takes four months, by which time the season is over. He clears the land at the end of September, thereby complying with the notice, and the whole thing can start again next year in the very same place."

Although we are certainly not "anti-landlord" our other comments exonerate us from being mistaken for landlords' men. Yet we cannot avoid a sneaking feeling of regard for the "miscreants" who are thus taking advantage of a loophole in the law. Admittedly we wish the economic rent—to which they have no moral title—to be taken from them and shared equally between all the people but, that done, we would allow them freedom to do what they like with their land. Doubtless that would horrify the planners. Not understanding economic freedom, they would expect eyesores to proliferate in every beauty spot. They are mistaken—it is land monopoly, not freedom, which has desecrated the English countryside.

HOW TO REMOVE SLUMS

ARE Federal grants to write down the cost of land for slum clearance bad in principle? The question was posed by an article in the American monthly journal *House and Home*, in its July issue. In part the article read:

"Some housing experts think so. They argue grants are devices for buying out slum landlords at fantastic prices. It would be better, they contend, to deflate slum prices by putting heavy taxes on slum land. Then a grant, federal, state, or local, would be much cheaper, if not unnecessary. Under the present law, New York City has grabbed the lion's share of the \$900 million of federal slum clearance funds since 1949. Yet New York has done shockingly little to take bootleg profit out of the slums."

These experts are right. But although heavy *ad hoc* taxation on the sites of slum properties would achieve the object, there must be no discrimination between various classes of land holders. An equal tax on equal land value charged on every parcel of land throughout the country would be just, and it would confer widely diffused economic and social benefits throughout society.

PORTRAIT OF A NEW TOWN

THE New Towns legislation was vigorously opposed after the war (as mentioned in our previous issue, page 122) by some advocates of land-value taxation. Their campaign did not achieve its object, and the towns were built. One of them, Harlow, in Essex, was the subject of a recent article in the Labour weekly paper *Forward*. The author, John Harris, is a member of the Harlow local authority and chairman of the local Labour Party. He

found himself in a delicate situation. On the one hand he could hardly condemn one of Labour's creations. Yet neither could he blink the fact that in many respects the town is a disappointment. However the Conservative Government was conveniently at hand to blame, for increasing interest rates and so on. Be that as it may, the following extracts from his article deserve to be placed on record:

"Over 200 houses are standing empty in Harlow today. Some have been without tenants for months. . . . The rate in Harlow at 20s. in the pound is well over the national average. And it will, I am afraid, continue to rise. . . . In Harlow, a town of well over 35,000 people there is not a single decent cricket pitch. . . . There is no swimming pool. . . . There is a chronic shortage of open spaces." But although 36 per cent of the population is under the age of 14, there is a government enthusiasm for a crematorium: "Inspectors have rushed down. Plans have been examined and sites inspected. And now detailed plans are being studied."

These new towns are the consequence of a timid approach to land monopoly. They were not necessary. If their faults are so apparent that even a Labour writer feels constrained to be critical, one can imagine that those who do not worship that false god, the State, could unearth other grave defects.

"REFORM IS LONG OVERDUE"

OUR basic argument was echoed, slightly distorted, at the annual conference of the Royal Institution of Chartered Surveyors at Nottingham in July. In the course of an exceptionally interesting paper entitled *Capital Formation and Land Value*, for which he was awarded the Chartered Surveyors' Gold Medal and Prize, 1957, Dr. W. R. Logan, B.A., wrote:

"The nation . . . as a whole creates any *additional* development values of land by the general extension of cultivation, increase of population and the growing demand for commodities. Neither the work, nor the interest, initiative and intelligence of the proprietor account for these increases in site values. This is definitely a value created by the community, which should also belong to it. It is now 40 years since Lloyd George failed in the first attempt to put forward a solution to this problem, and it is high time that a just and workable solution is found, whether the public understands the problem or not."

The italics are ours. They show the blind spot in Dr. Logan's otherwise sound reasoning in this section of his paper. What he says is not incorrect, but it is incomplete and misleading. The *whole* value of land is created by the community in such ways as are outlined here, and logically and morally it belongs of equal right wholly to the whole people. Unless that is remembered, one is readily misled into supporting land value *increment* taxation which

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