

FARMLAND

Timid solution would torture society

FEW TRADE UNIONS seem to concern themselves with who owns the land. This is surprising, since the rent of land is a critical factor in the profitability of industry. One union that does take an interest in the matter of land ownership is Britain's National Union of Agricultural and Allied Workers, which recently issued a short policy document entitled "Planning or Privilege". It explains how the union would deal with the problem of "the big landowner" and the evils that arise from his "dominance over our agricultural land".

The pamphlet shows that the union are well aware of the wrong perpetrated against the common people by the private monopoly of land. "The land belongs rightfully to the people," they say, and they quote, with feeling, from Edward Carpenter's *The People to Their Land*:

The ploughman ploughs, the sower sows
The reaper reaps the ear
The woodman to the forest goes
Before the day grows clear
But of our toil no fruit we see
The harvest's not for you and me
A robber band has seized the land
And we are exiles here

They also quote, with approval, the conclusion of the Labour Party's NEC that "For generations the private ownership of land has been a source of great inequalities and social injustice, it has also been an important divisive factor particularly in our rural areas."

But if this evidence of awareness of the problem leads the reader to expect radical and far-reaching proposals for solving it, he is disappointed.

Certainly the union propose that land should be taken into public ownership. But not all land, you understand, just agricultural land. And not even all agricultural land. All the NUAAW want to see, apparently, is the public ownership of "tenanted land and big holdings." Their proposal is to nationalise large estates, bringing into public ownership about 75% of rented land. There is a big difference, they insist, endeavouring to rationalise a strangely timorous selectivity.

Monopolists hinder sheikdom's economic development

THE OIL-RICH Middle Eastern sheikdom of Qatar is having trouble with its land monopolists, writes Ian Barron.

According to a survey of the country's economic development,* progress is being distorted by inflated prices.

"Negotiations for land sales are often slow and can hold up projects for months. Some building schemes have had to be abandoned because a landowner refuses to sell and it is common for new buildings to stand empty for long periods because a landowner objects to utilities such as sewerage, water and electricity lines."

The main town, Doha, has enough open space to satisfy needs until the end of the century. But because of the unreasonable demands from landowners, the decision was taken to reclaim Doha's West Bay. A town planner reported: "As it turned out, it cost less to reclaim West Bay than it would to have bought the equivalent area of land from private landowners."

With Doha's population expected to double by the year 2000, the town's planners are worried at the failure to existing legislation to ensure the sale of private land at reasonable prices.

*Qatar, London: Middle East Economic Digest, Aug. 1981, £3.50.

"between earning a living producing the nation's food and reaping fat profits from rent and land speculation."

Even more eyebrow-raising is the method advocated by the union to restore to the people this small portion of the land seized by the "robber band". Indeed, "restore" hardly seems to be the word since the union's proposal amounts to *buying* the land from the present holders. The precise proposal, as given in the pamphlet, is:

"One reasonable approach would be for former landowners to receive annuities for as long as they live and until their children reach school-leaving age. These payments would be based on a fair valuation of the property taken into public ownership."

Whatever credit can be given to the union for facing up to the problem, it must be said that this scheme really will not do. How, for example, can a distinction logically be made between tenanted land and land farmed by its owners? If tenanted land yields "fat profits" for the landlord, then surely owner-farmers (who combine the functions of farmer and landlord) must be getting a similar rake-off in the latter role?

And if agricultural land is a candidate for take-over by the state (because the land rightfully belongs to the people) can other land be logically excluded? What about land used for industry, for commerce, for housing, for hunting, shooting and fishing?

By BERT BROOKES

The truth, surely, is that a case can be made out for either doing nothing about land – on the grounds that present land titles have somehow become hallowed by time – or for taking it *all* into public ownership. But to argue that only *some* land should be restored to its proper owners is to make a distinction that is completely untenable.

And what can be said for the NUAAW proposal to pay compensation for land taken over? The objections to this are by now well known. To the extent that compensation is paid, whether in the form of government securities or in cash, to that extent the people at large cannot gain from the transaction. It merely gives to the landholder a claim on the wealth of society of the same value as his possession of land now gives him. For society it merely substitutes the burden of paying interest for the burden of paying land rent. It would be the same if, in restoring a stolen motor-car to its rightful owner, the police were to compensate the illegal owner by handing him a cheque to the value of the vehicle.

No, the NUAAW's proposals for doing something about the land problem will not do. And it is apparent from a letter to the press by Mr. George Curtis, a NUAAW organiser who was expressing his own views, that some of the union's members are not satisfied with its policy. "I believe", wrote Mr. Curtis, "that the advantages of private ownership of land must be combined with the justice of common ownership." He went on to advocate leaving the land in private possession, with full freedom to sell, bequeath, etc., on the one condition that those in such possession should pay on their land a tax equal to its annual economic value, irrespective of the use made of it or the improvements made to it.

Mr. Curtis is clearly on the right lines. To nationalise the land with the huge bureaucracy needed to administer it would be a clumsy and expensive way of re-asserting the people's rights. It would apply a quite unnecessary shock to present customs and practice in the field of real estate. In addition, disputes about the justice of paying compensation would torture society for a long time. A land-value tax, however, could start from small beginnings and need rise only gradually to the level required to take the whole of the annual value into the public treasury. Compensation, never justified morally, would not be needed even as an expedient, although some welfare assistance might be required by those for whom land rents had been the only source of income.

The NUAAW would do well to listen attentively to the arguments of Mr. Curtis. The union are right to be concerned about land, about who owns it and about the extent to which speculation in it is bad for the industry. But land speculation is bad for *all* industry. A comprehensive solution is required; and all reliable indicators point to that solution being a tax on land values.