### Land & Liberty

JOURNAL OF THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES LTD. 177 VAUXHALL BRIDGE ROAD, LONDON. S.W.1 TELEPHONE 01 834 4266

JANUARY & FEBRUARY, 1982 Established: JUNE, 1894 Nos. 1,052 & 1,053 VOL. LXXXIX Managing Editor V. H. BLUNDELL ISS No. 0023-7574
Annual Subscription:
U.K. and Sterling Area: £4.00
USA \$10, Canada \$11
Editor
M. MONK



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## Land Rent As Public Revenue in Australia

CENTENARY ESSAY NO.3

 a quantative evaluation of potential exchequer revenue to be derived from land value taxation

Price (includes p & p): UK – £3.50; US – \$8.50; Australia – \$7.50; Canada – \$9; from Land & Liberty Press, 177 Vauxhall Bridge Road, London SW1, England

HE POTENTIAL BENEFITS of a tax that would appropriate land's value are exceptionally great in Ireland, probably greater than in any other country. This is largely the corollary of the fact that the pursuit of individual profit from land has done more social harm over a longer term in Ireland than elsewhere. It is largely because of the harm done in the past, and particularly in destruction of livelihoods since 1841, that the value of land resources per head of the population or in relation to GNP is much greater in Ireland than elsewhere.

Every second person born in the territory of the Republic during the past 140 years has emigrated from it. By inference, those who left were the less contented and those who remained were the more contented. This selection process, operating over six generations, has resulted in a politically complacent population which exists in a political vacuum. There is virtually no distinction between the policies advocated by the main Irish political parties; there are only differences in the personalities who seek to implement common policies. The removal through emigration of the discontented half of the population has left a residual "fat cat' that is disinclined for the radicalism of a land tax.

### **Economic Troubles**

There are aspects of the present situation that make the prospects of imposing a land tax in the Republic better now than at any time since the state's foundation. Massive and accelerating public borrowing has been the keystone to the Republic's economic policies for thirty years and cannot be sustained much longer. The balance of international payments, which has been in chronic deficit for decades, is expected to have a deficit of £1.3 billions in 1981. Allowing for differences in GNP, an equivalent British deficit would be £34 billions or about ten times greater than in the crisis year for the British economy of 1974. The safety valve of emigration is working less freely. Population in the Republic is increasing for the first time in 140 years, and is now growing more rapidly than in any other European country. But the number of jobs continues to decrease and a great lake of unemployment is building up.

The Labour Party made the introduction of a resource or land tax a part of its policy in the recent general elections.

# Sectarian Violence and the social role of Irish land

(second concluding part)

What, if anything can be done constructively by those who accept the analysis of this presentation and who wish for an end to sectarian violence in the UK and for a reduction in the cost of containing that violence? The primary need is the creation of a more informed public opinion on the subject in Britain, in both parts of Ireland, in the USA and EEC, and in the world at large. There is a special need to make clear the nature and the origin of the violence, to emphasise "the Irish dimension" of the violence, and to point to the need for radical change in the Republic if the violence is to be ended.

There is a need, in this context, to persuade the British media to adopt a better informed, more critical and more responsible attitude towards events in the Republic, which seem often to be viewed by foreign media through spectacles that are tinted rose by the Republic's public relations efforts. The uncritical approach of the foreign media to the Republic's "economic progress" helps to perpetuate the illusion of progress on the part of the Irish who implement it and of the foreigners who finance it, but fails to do justice to the rightly critical, not to say sceptical, attitude of Northern Ireland Protestants to the Republic's "economic miracle", for that "miracle" is based on massive, accelerating and unsustainable borrowing.

### Jobs and Violence

There is a pressing need for competent, purposeful research into the political economy of violence in Northern Ireland. The cost to Britain of containing the violence exceeds £1.3 billions annually; yet no worthwhile research is proceeding into the causes and possible means of ending that violence. There is no

skilled, competent, reasonably endowed research being carried on into such issues as (a) the relation between violence and sectarian discrimination in job allocation; (b) the relation between sectarian violence in Northern Ireland and the decline in jobs in both parts of Ireland; (c) the nature and causes of the 140-year old loss of jobs in Ireland; and (d) possible methods of halting and reversing the loss of jobs.

Radical change that could reverse loss of jobs in the Republic, which is the root cause of violence in Northern Ireland, is unlikely so long as there is a massive inflow of borrowed funds to sustain present policies in the Republic. Creating a more critical, better informed attitude towards the political and commercial expediency of these massive international loans would be constructive: the restriction of foreign borrowing would force the Irish authorities to adopt the more radical, available measures that would lead towards fuller employment and, therefore, less sectarian violence.

The principal beneficiaries of change leading to fuller employment and less sectarian violence would, of course, be the people of Ireland, north and south, Catholic and Protestant. There would, however, be immediate and substantial gains to Britain from the creation of an awareness of the connection between sectarian violence, the loss of livelihoods, and the land question in Ireland. Fostering this awareness would answer the increasingly widespread and insistent



Raymond Crotty

demand for new initiatives by British politicians in relation to Northern Ireland. Fostering this awareness is an initiative that is both imaginative and intellectually sound, that is consistent with the need to limit public expenditure, and that offers by far the best – indeed the only – prospect of ending the sectarian violence.

Apprising people better of the causes of, and the possible remedies for, this violence, will serve to show that British governments can no longer be held responsible for it; that only ten per cent of the island's total job loss has occurred in Northern Ireland; and none of the job loss since 1921 has occurred there.

Had the rest of Ireland since 1921 succeeded as well as Northern Ireland in providing a livelihood for the Irish people, there would be far less violence, if any, in Northern Ireland now. Once the relationship between sectarian violence and job loss is established, it will be recognised that

This article was extracted from Raymond Crotty's *The Irish Land Question & Sectarian Violence*, Centenary Essay No. 4, now obtainable from 177 Vauxhall Bridge Road, London SW1. Price: £1.50, incl. p. & p.

prime responsibility for the violence must rest with the political establishment of the Republic which, consistently since 1921, has chosen policies designed to raise land values at the cost of the continuing loss of livelihoods for the people.

#### Blaming Britain

Opening up the debate on the causes and the remedies for violence in Northern Ireland and directing that debate along new and more analytical lines offers the prospect of an early reduction in violence. There is in Ireland now no realistic prospect of a reduction in unemployment, and therefore there is no realistic prospect of an end to Protestant insistence on privilege or of Catholic opposition to that privilege.

Rather, as economic crisis deepens in Britain and Ireland and as the Irish public finances approach complete collapse, the prospect of economic growth lifting Ireland into a new era of employment for all, of abundance and equality for all becomes more remote and chimerical than it has been for decades. Given these circumstances of shattered hopes, of disillusion and of an unrelieved prospect of continuing loss of jobs and continuing sectarian discrimination, Irish nationalists will be increasingly attracted to the simplistic view that Britain and Britain's Protestant garrison are responsible for Irish failure.

It will be increasingly easy to persuade young Irish idealists that violence against Protestants and against British personnel in Northern Ireland is the most effective means available of removing British influence as the prerequisite for Irish prosperity.

No plausible alternative to this simplistic nationalist thesis exists now. My analysis suggests an alternative thesis. Restructuring along the lines of an evolved, indigenous, Gaelic system the land holding system that was imposed on Ireland by Tudor, Stuart and Cromwellian conquerors would halt and reverse the decline in jobs. Young Irish nationalists so persuaded would perceive that there is a way to secure a livelihood and equity for all that is more effective, more certain and more honourable than the sectarian violence that now appears to be the only grim way to the realisation of legitimate national aspirations. This perception should bring about a redirection of patriotic effort from violence to constructive. constitutional, but radical change.

## Community Rent or Land Bank

### David Redfearn

THERE is plenty of land for every-body in Britain. If our 56,020,000 inhabitants were housed in families of four on plots measuring 27 × 100 feet (including 18 feet for road and pavement), the acreage would be 868,078, or only 1.46 per cent of the United Kingdom's 59,552,640. Even if half the rest were unusable, there would be more than enough for all other purposes; and each family would have its own kitchen garden. The land is there; so why in practice is it not available, or available only at a high price?

The answer is large-scale private ownership brought about by centuries of enclosures. Take for example the estates of the Duke of Bedford, totalling 80,000 acres. Even in the year 1838, for which figures happen to be published, the seventh Duke received £72,610 per annum from his 119 acres in London, but from his provincial estates of 79,881 acres only £36,939. Because of this large income from London (£610 an acre), he was not obliged to secure the best use of the country estates (averaging £0.46 an acre), or even any productive use at all. His successors, supported by much increased London land values, have certainly used 'their' countryside more for recreation. That is the story of one Dukedom. There are others; and Dukes are not the only landlords.

The Ecology Party says the question now is, how to make the unused or little-used land available for new rural communities. Their landbanker's plan would have the following consequences:—

- (a) The present landlords would be compensated for loss of the right to levy a toll on production without contributing to it. (They owe this right to their forerunners' adroit manipulation of the powers of government).
- (b) The ultimate payers of the compensation would be the victims of present injustice, and the descendants of past victims. But these are the very people who should be receiving compensa-

tion, not paying it.

- (c) The end result would be a country of many landlords instead of few; but the landless, still in a majority, would be better off.
- (d) Prospective members of the new communities would find that land would cost as much as it does now.

The economic forces that depopulated our countryside would still exist.

The land-value taxer, on the other hand, considers that the only rightful landlord is the people, and that the way for the authorities to put this principle into practice is to take all ground rents for public revenue, including estimated ones for unused 'private' land, and reduce existing taxation accordingly. Now competition among prospective tenants ensures that wages and interest, taken together, are governed by what labour and capital can obtain from the least productive land in use. Everything in excess of this is rent, which, if taken for the Treasury, could not be taken again by the landlord. He would therefore have three choices:-

- (a) To work the land himself with his own capital, and receive the wages and interest.
- (b) To provide the capital only, and receive the interest.
- (c) To sell whatever land he could neither work himself nor furnish the capital for others to work. Since he would be selling also the liability to 'community rent', the price would tend towards zero.

All this would give the new communities the best possible start.

The Ecology Party has already accepted the principle of community rent. It should now be clear that it is incompatible with compensation for landlords, and that land rationing will not be needed; for there is plenty of land.

NOTE: It is thought that the Duke of Bedford himself does not now own a single acre of land in Britain. The considerable Bedford estates in London are in the hands of trustees the principal beneficiary being the Duke's grandson!