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LABOUR'S ELECTION PROGRAMME

The National Executive Committee of the Labour Party has issued a programme of measures which a Labour Government would carry out during a full term of office if given a majority.

It declares that the party's goal is the Socialist Commonwealth. "It is determined to use the resources of our country so as to create a real prosperity in which all shall share. Science has placed in our hands the means of attaining this end, but only if finance and trade, industry and agriculture, conform to a national plan under the guidance of the State."

Whether these two sentences are intended to indicate what is meant by a Socialist Commonwealth, or whether they are merely descriptive of the scope of the immediate programme, is not too clear. In either case they may well command the support of many who would not be prepared to label themselves as Socialists. The phrase "under the guidance of the State" implies that a considerable degree of freedom would be left for individual economic activity subject to this guidance.

This interpretation seems to be justified by later clauses stating that "the Labour Party stands firmly for democracy. It is irreconcilably opposed to dictatorship by any individual or group." A complete assumption of all economic functions by the State and the suppression of all private enterprise, would obviously in the present state of public opinion be inconsistent with this pledge.

Among the detailed proposals put forward are nationalization of the Bank of England and the control of new investment by a National Investment Board. The coal industry, including coal treatment and marketing, are to be nationalized, and the electricity and gas supply brought completely under public ownership. A National Transport Board is to be set up to co-ordinate all forms of transport and to operate the railways "and such other transport services as are suitable for transfer to public ownership."

The programme asserts that "the land should belong to the people and national planning requires that the use of land should be controlled in the public interest." It does not appear that any immediate general scheme of land purchase is contemplated, but a bill should be passed "enabling the Government and other public authorities to acquire such land as they need for any purpose without delay and at a reasonable price." In this connection it may be observed that a pledge is given that "a fair price will be paid for all private property transferred to public ownership." How that fair price is to be ascertained and whether it will be fair to the community is one of the problems left to be solved.

In the case of the mines and of agriculture, it is said

that a living wage will be a first charge on the industry. This no doubt means that this desirable object will be a first charge upon the consumers of the industry's products. As regards agriculture, it is said that "a Labour Government will organize home production and will control imports so as to ensure to the home producer a fair price for his produce and to make available to all a plentiful supply of good food." Control of imports in this connection can hardly have any other purpose than to raise prices, and although the consumer is promised a plentiful supply he is not promised it at a low price. Moreover, one would like to know whether the landowner is included in the category of producer. Present experience of marketing schemes and similar devices makes it only too clear that the landlord is the residuary legatee of all of them. It is suggested that marketing schemes and the use of co-operative undertakings will reduce the gap between what the producer receives and the consumers pay. But if this is so, whence arises the necessity to control imports so as to raise prices?

Some inconsistency is also to be found between this virtual tariffism and the pledge "to endeavour to remove the economic causes of international rivalry and to enable all peaceful nations to share, on fair terms, in the abundant wealth of the world." Freedom of trade is certainly one means to this objective.

It is not necessary to detail or to examine the promises of higher wages, shorter hours, better education, pensions and health services. The possibility of permanent benefit from these is contingent upon an alteration in the distribution of wealth which will give more to the worker, or (which is virtually the same thing) upon the raising of the public revenue required for any of these objects in such a way as not to impinge upon wages.

This brings us to the only reference to taxation in the document: "Taxation will be used to secure a better distribution of wealth and purchasing power and to provide funds for the extension of the social services. The penal taxation of co-operative societies will be repealed." This is a very inadequate treatment of a most important subject. In his recent book, *National Income and Outlay*, Mr Colin Clark estimates that 23 per cent of the national income is taken in taxation. The methods by which that taxation is levied, its ultimate incidence and its economic effects, and the means by which it may be better distributed deserve more definite treatment. The purpose is commendable, but the important question to which the elector is entitled to some answer is, what means is to be adopted to this end, and is the means adequate.

Taken all in all, the present programme of the Labour Party shows a greater desire to grapple with the realities of political life and less desire to shove a vague Utopia down the throats of the electors, but further thinking is needed to clarify the proposals and remove the inconsistencies.

One is left with the feeling that the programme lacks underlying guiding principles, both economic and ethical. It is too much a medley of ideas calculated to appeal to particular groups.

The fundamental problem of statesmanship is to follow that policy which will conduce to the largest production and the most equitable distribution of wealth. The economic and the ethical aspects are inseparably interlinked. If a condition is established which takes away from the producer the reward of his effort, which robs the worker of the incentive to produce, the inevitable result must be a slackening or even a diminution of production. The history of Russia during the last

twenty years gives the experimental proof of this on a large scale.

The facile assumption that the problem of production has been solved, that we live in a world of plenty and that all that remains is to distribute that plenty, is not wholly true. What is true is that we can see the possibility of a condition in which, given the freedom to use natural resources and labour to the full, and given a more equal distribution of what is produced, all might have the elements of a comfortable life without undue exertion.

No final solution of the social problem can be found until the distinction is drawn between what is rightfully individual property and what is communal property. As Karl Marx says: "In political economy there is a current confusion between two very different kinds of private property, one of which is based on the producer's own labour, whilst the other is based upon the exploitation of the labour of others. Not only do the economists forget that the latter kind of property is the direct antithesis of the former; they forget, likewise, that the latter can only grow on the tomb of the former."

Exploitation of the labour of others may take many different forms. Subsidies and doles to particular interests which have to be paid from the labour of others is one form. The artificial raising of prices for the benefit of some interest to be paid by the general body of consumers is another. The buying up of wrongful private property at the expense of taxes levied directly or indirectly upon the community at large is a third. The danger in which the Labour Party stands at the present moment is, in failing to draw the distinction between what is rightful property and what is not, that it will re-establish in some or all of these forms the exploitation of labour which it is its object to destroy.

There are some principles which command the assent of a large body of opinion inside and outside of the Labour Party. One is that the value of land is entirely a communal product which should be used for communal purposes. Another is that our present system of taxation is indefensible, imposing a large though concealed burden upon the poorest section of the community, impeding industry, and exempting land values.

In the taxation of land values there is a powerful instrument for redressing these injustices and for securing the full and proper use of our natural resources which is one of the declared aims of the Labour Party. The time has come when it should once more make a clear and emphatic re-affirmation of its intention to deal with this question upon the first occasion it may have the opportunity of so doing.

Although unemployment is rife at Dolgelley untold wealth is concealed underground. There is much iron and steel ore, besides gold, copper, lead, and other minerals.

Now that iron and steel factories have had to be closed for lack of ore, a return of pre-War prosperity is expected in the district.—*Western Mail*, 16th February.

It is a well-provisioned ship, this on which we sail through space. If the bread and beef above decks seem to grow scarce, we but open a hatch and there is a new supply, of which before we never dreamed. And very great command over the services of others comes to those who as the hatches are opened are permitted to say, "This is mine!"—*Progress and Poverty*.

For your Library—Indexed Bound Volumes of "Land & Liberty," for 1936, price Ten Shillings, are now ready. The price of the Index alone is One Shilling.

NOTES AND NEWS

Grateful acknowledgment has been made to the Franklin Society for Home Building and Savings, New York, for copies presented of their finely produced brochure issued in honour of their late president, Charles O'Connor Hennessy. It contains a life sketch and photograph. Extracts from numerous tributes are printed, *Land & Liberty* having first place followed by the *Building Societies' Gazette*, Sir Harold Bellman, the *American Building Association News*, George E. McKinnis, R. Holtby Meyers and Philip Lieber of the U.S. Building and Loan League, the *Jersey Journal*, the *Bergen Evening Record*, the *Passaic Herald-News*, and Harvey D. Gibson of the Manufacturers' Trust Company. Also printed is a large part of the Address, "This Discontented World," which Mr Hennessy delivered as President of the International Conference on Land Value Taxation and Free Trade in London, September, 1936.

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That there is "land value" in agricultural land is proved in the annual letting of grass lands in Scotland. We take the following from the report in the *Glasgow Herald* of 16th March:—John Swan and Sons, Ltd., conducted the let of grass parks at Alderston, Haddington, belonging to East Lothian County Council and The Scottish Rural Working Approved Society, also those at Lennoxlove, Haddington, belonging to Lennoxlove Estates, Ltd. For all the fields competition was exceedingly keen, the rises in rents, as compared with last year being as follows:—Alderston (East Lothian County Council), 65 per cent, young grass making to £5 per acre; Alderston (Scottish Rural Workers Approved Society), 20 per cent; Lennoxlove, 4 per cent. Speedie Brothers, Ltd., conducted the let of Blair Drummond grass parks on Saturday. A very good demand was met. Several of the parks changed tenants. The percentage increase in rentals over those of last year was 13·6 per cent.

Has any improvement been "invested" in these lands to make them more valuable?

* * *

Dr Barclay, seconding the adoption of the report and accounts of the Royal Hospital for Sick Children, Glasgow, said (*Glasgow Herald*, 11th March):—The operation of the Milk Marketing Board had resulted in the hospital having to pay £500 a year more for milk supplies. The fact was that at present the working man could not afford to pay for an adequate supply of milk for his children, and the health and physique of the children suffered. An immense amount of milk was at present being sold at an uneconomic price and at the expense of the milk drinker in order that a huge marketing business might be carried on without loss.

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Speaking at the annual dinner of the London Motor Cab Proprietors' Association on 5th March, Mr Hore Belisha, the Minister of Transport, said that a stationary car in the City of London occupied space to the value of £20,000 and further immobilized a whole line of traffic.

The comment of the *Land Agents' Record* is that taking the space occupied by a fairly large car measuring 16 ft. by 6 ft. which is 96 square ft. then according to the Minister's computation a site in the City having an area of one acre is worth £9,075,000. "This is a revelation to us," says the *Land Agents' Record*, if this is to be the standard of value adopted in connection with the compensation payable in respect of compulsorily acquired land for road-widening and similar improvement purposes, owners will have reason to be grateful for the Minister's judgment."