

LAND & LIBERTY

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LABOUR PARTY AND THE LAND QUESTION

The nationalisation of rented agricultural land has been one of the proposals discussed by the National Executive Committee of the Labour Party in the drawing up of its new electoral programme but according to reports in the national press this plan has been rejected. The division of opinion within the Labour Party has been most marked. Our readers will be interested in the speeches and correspondence here reported.

Former Attorney-General's Views

Sir Hartley Shawcross, Q.C., M.P., Attorney-General in the last Labour Administration, addressing a May Day meeting in the Town Hall, St. Helens, Lancashire, May 3, said:

"I see that there has recently been discussion on the question whether we should nationalise the land. It is an important problem, but the general consensus of opinion seems against it. We should deal with the problem of the land. But I am quite sure nationalisation is the wrong way. It would cost an enormous amount, and the administrative difficulties not only of taking it over and compensating for it, but of its subsequent management would be enormous. In the end almost everybody would become a civil servant. That does not mean nothing should be done. I have always thought—I recall making a speech in favour of it at the annual conference of the Labour Party 30 years ago—that the policy which our Party should adopt is that of taxing and rating what are called land values.

"The value of the land, apart from the buildings and improvements put up on it, is always the result of the social and industrial development of the community. It is not made by the owner or due to effort of his. It is the presence of other people, the building of other houses, the erection of a factory, the provision of water, the construction of a railway, and so on, which increases the value of the land. There is really no justification for allowing that increased value to remain in the pockets of the land owners. And so I would tax the land values themselves. By doing that we should stimulate the use of land, and make it unprofitable to keep good land idle, or to use land improperly.

"This system has been adopted with great success in some of the sister nations in the Commonwealth.

It has been done in Denmark and elsewhere. And where it has been done it is leading to old and uneconomic buildings being pulled down and to improvements in agriculture so that the best and most economic use is made of the land available. That is what we need to stimulate. If we do, no need to bother about nationalisation: the owners will themselves use the land to the best economic advantage. The State and local authorities will secure a large revenue, without the need for paying out subsidies, and reductions in other forms of taxation will be possible. That is the way to secure for the community the real value and use of the land, without the wholly impracticable course of nationalising it."

"Tribune" Demands Nationalisation

Significantly, two days earlier, *Tribune*, the journal of the Bevanite section of the Labour Party, had aggressively and menacingly insisted upon the land nationalisation proposals, inferring the support of the Deity, with the banner headline *God Gave The Land To The People!* These are some paragraphs:—

"The nationalisation of rented land was one of the measures which Socialists were expecting to see in the new programme. It is one of the measures we must have if Labour really means business in making Britain independent. But now comes bad news. According to the reports in the national press, the plan for nationalising rented land was voted down at a recent meeting of the National Executive Committee.

"Some Tory newspapers cannot hide their glee over 'the victory.' Down with the Bevanites, even if production goes down too! But let them not rejoice too soon. Let them learn a few facts about the Labour Party's Constitution.

"At the Morecambe Conference of the Labour Party the National Executive was instructed to draw up a radical policy for British recovery, including the required measures of public ownership. That is the task the Executive is engaged on now. When their work is done the proposed policy will go back to Labour's Conference—for approval, for amendment or addition.

"That goes for land policy and for all the rest of the policy too. When it comes back to Conference, two tests will be applied, two tests which are really one.

Have the National Executive carried out the instructions of Morecambe? Have they produced a policy adequate to meet the grave and growing economic crisis facing the country?"

"Why Buy Out Landlords?"—R. R. Stokes

The controversy had started with articles published in *Tribune* during December last, Mr. R. R. Stokes, M.P., taking up the attitude emphatically against land nationalisation and urging the taxation of land values. We published his statement in our issue of January last. Speaking at Rochdale, March 29 (*Manchester Guardian* report), Mr. Stokes said:—

"Nationalisation of rented land was impracticable and undesirable. How, for example, would we deal with a farm part-rented and part-owned? Why should millions of money belonging to the workers of the country be paid to recover the land for the people when that could be done without disbursing anything? Much the best way was to rate all site values whether the land was used or not, thereby providing local authorities with revenue they so sorely needed and making it uneconomical to use land except for the purpose which best suited the needs of the community. This would in effect be nationalising the rent of land."

Land Value Taxation Misrepresented

A former Chairman of the Labour Party, Mr. George Dallas, in a letter to the *Manchester Guardian*, April 13, wrote: "The nationalisation of the land is to-day, and always has been, an integral and fundamental part of Labour Party policy. This has been repeatedly endorsed by the highest authority in the Labour Party—the annual conferences." After criticising Mr. R. R. Stokes for his "recent outburst" against this policy, Mr. Dallas continued: "Mr. Stokes's antiquated remedy, the Henry George single tax, would make the Labour Party, or any other party, the ridicule and scorn of the country and the laughing stock of the countryside. The theory and doctrine of all these people is that land should be taxed after it has been divested of 'all improvements which have been made in it or on it.'"

"Think of this. The land of this country has been cultivated for more than a thousand years. It has been cleared and ploughed, and sown and reaped. It has been drained and ditched. It has been fertilised and manured. It has been fenced and hedged. Farm buildings of all kinds have been erected. Eliminate all these and tax what is left. You are back to primeval scrub, and bog and morass, and then tax what is left. It is all too fantastic for a single minute's consideration. If anything could be termed impracticable, this is it. The Labour Party plan for land nationalisation is both reasonably cheap and fair, with no relation to Mr. Stokes's mythical millions. It is effective and efficient."

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Rejoinder to Mr. Dallas

To this Mr. Stokes replied:

"The difference between us on the land question is simply this: Mr. Dallas seeks to nationalise land by compensation, whereas I, and many in the Labour Party who think like me, seek to do so by taxation. His method means paying out £20,000 millions of the workers' money to the landlords, whereas our method requires the landlords to pay to the community the economic rent of land and costs the worker nothing. What is more, Mr. Dallas, by his method will create another large rentier class which will for ever ride on the back of the workers to the tune of a thousand millions a year, whereas by our method no such millstone will hang round the workers' necks. I leave the workers, when they understand the difference, to decide."—*Manchester Guardian*, April 25.

An Established Labour Policy?

Answering Mr. Stokes, Mr. Dallas wrote: "If agricultural land had been nationalised after the First World War on the basis of Labour Party policy the whole transaction would have been paid for long ago, and to-day the nation would have a priceless and marvellous asset free of debt. At the moment I am not primarily concerned about the merits or de-merits of the single tax versus land nationalisation. We settled this in the Labour Party ages ago . . ."

"The nationalisation of all agricultural land is, and has been, an integral part of the policy of the Labour Party for nearly thirty years—and without any query or question, or opposition against this at any time. With the urgent need to grow more food at this period this policy is more vital than ever before in our history outside of war-time . . ."

James Hudson Recalls Snowden's Budget

Mr. James H. Hudson, M.P., in a letter published by the *Manchester Guardian*, April 30, supporting Mr. Stokes, wrote:

"Mr. Dallas says the issue of the single tax versus land nationalisation was settled in the Labour Party ages ago. If he means by single tax an effective tax on the true rent of land, that issue was certainly settled when Snowden introduced with the full party approval the third Labour Budget of 1931, which was based on the taxation of land values. A number of Labour members got cold feet about the land proposals in that Budget as the Liberal and Tory pressures of those days were exerted against them. But there was no desire to discipline them, as indeed there was none expressed against Mr. Snowden for introducing the Land Tax proposals.

"I doubt from the point of view of nationalisation whether Mr. Dallas has taken into account the very strong resentment and disappointment felt by railwaymen, miners and others concerning the heavy annual charges now made on the services in which they are concerned as a result of the compensation the State paid for capital holdings. Labour, in my view, could not do otherwise than compensate for the capital taken over, but we have been dealing long enough with the land question—whether under Snowden's or Lloyd George's proposals—to realise that the same