

Back-to-the-land: Lloyd George's cranky plan for unemployment

THIRTY MILLION people are now without jobs in the OECD (industrialised) countries, and make-work schemes built around the romantic idea of a return to the land are growing in popularity. One of these is advocated by Nicholas Albery:

"With something like 84% of the land in the UK in the hands of 7% of the people, it is as if we were living in some Third World dictatorship. Nationalisation of land by central government would be a nightmare, but various forms of neighbourhood control of land might work.

"In my preferred gentle and gradual scheme for neighbourhood land reform, a group of eight or so immediately neighbouring households would have the first option on land or

property and the right to dismantle large estates, when an owner dies or transfers ownership; and would be able to select a purchaser subject to veto and at a price approved by open meeting of the surrounding neighbourhood (up to 1,000 inhabitants).

"This wider neighbourhood, with the assistance of suggestions from central government, would set their own criteria for nationalisation – such as the maximum size of holdings according to quality of land, the quota of disadvantaged city people to be settled, proof of skills and training required from applications for small holdings, degree of priority to be given to sons and daughters of the previous owner."

THE SPATE OF "back-to-the-land" schemes is built around a long tradition that emphasises the devolution of political and economic power to small communal groups.

That tradition can be traced from Gerrard Winstanley and the Digger colonies of the 17th century, through the Chartist land colonies and on to the anarchist land schemes of the late 19th century.

The intentions behind these schemes were honourable, and the early ones did succeed as self-sufficient communities which met the full range of human aspirations. But would that hold true today?

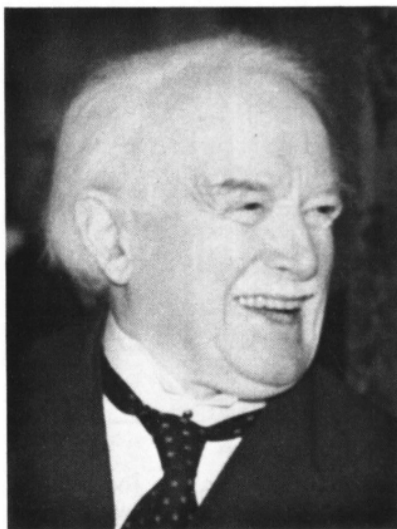
The attempts to re-settle the urban unemployed onto farmland in the 1930s suffered from some serious weaknesses, and it would repay us to examine these before current schemes advance further.

DAVID LLOYD GEORGE, the outstanding Liberal statesman of his generation, threw his weight behind the idea that unemployed miners and millers ought to be relocated on the land. He wrote:

"It is a crime, which after generations will find almost incredible, that we should have millions of able-bodied men pinned in unwilling idleness while our land cries out to be tilled."

The juxtaposition of the facts was dramatic, and the analytical connection – men are idle for want of land – was correct. The policy prescription was absurd.

Lloyd George, taking up the programme promoted by men such as Ramsay MacDonald and Captain D. Evan Wallace, popularised the view that 500,000 could be resettled on the land, which in turn would provide work for an additional 500,000 people³ – a total of 1m. at a time when there were 2m. out of work.



● David Lloyd George

The Special Areas Act was passed in 1934 and two commissioners were appointed with power to provide money for land settlement. Lloyd George, on a visit to Glasgow, was taken to see the first one-acre holding in Scotland. This had been granted to the unemployed of Old Kirkpatrick. The correspondent for *The Times* reported (16.4.35): "Although it is subject to periodic flooding it has been developed to an amazing extent by nine men."

This "solution" was bound to fail. Urban workers did not possess agricultural skills. To transfer miners to agricultural holdings was "about as sensible as transferring a Lincolnshire agricultural labourer to the disused pitheads of the Rhondda," wrote Wal Hannington, a militant left winger.⁴

The policy aggravated the original problem. There were large numbers of rural workers out of employment, and with the growing tendency of urban dwellers to cultivate their own vegetable patches the food which would

otherwise have been grown in the country was grown in the town. Those who succeeded in growing food found that there was a very restricted market for cash sales: so they had to rely on a subsistence existence, with little scope for earning cash with which to buy goods from manufacturers.

The "back to the land" scheme, while motivated by good intentions, was cranky in its conception. Lloyd George knew what caused the infirmity in the economic foundations. In relation to the housing programme, he noted that the problem was "not merely a shortage of houses, it is a shortage of houses which do not take too much out of a man's wage."⁵ Prices had somehow grown out of realistic proportion to current income.

Yet when Lloyd George touched on land tenure, he restricted himself to the banal observation that there was a need for "a businesslike system of land tenure that would encourage the cultivator to do his best by enabling him to reap the reward of his best endeavours."⁶ The existing fiscal and land tenure system, which he did not propose to alter, did not encourage landowners to employ their "best endeavours;" these had, in fact, in a "businesslike" manner, condemned both land and men to idleness. During a broadcast from Bangor, in his constituency, Lloyd George observed:

"There are hundreds of thousands of acres of waterlogged land which ought to be drained and utilised in order to raise more and fresher food on our soil. There are millions of acres of land which have fallen out of cultivation. . . ."

The owners of these acres were unwilling to use them productively; but they were certainly not going to freely release them to the unemployed farm labourers who could have turned them into viable farms.

P. E. POOLE traces the revival of a tradition

A MORE sophisticated version of this "back to the land" hypothesis was articulated as the recession of the 1970s grew apace. Ecologists advocated the need for small-scale communities built around organic food-growing homesteads. Many people "copped out" of industrial-urban society to small hill farms on the margins of cultivation in Wales and Pennsylvania. While in the USA this movement was characterised by the more freaky elements, in Europe it attained well-organised proportions and even succeeded in turning itself into a political movement with a programme intended to deal with unemployment.⁸

People who believe that unemployment can be solved by the mere redistribution of land suffer from a tragic innocence of the facts. Economically, the extension of the class of land monopolists merely increases the opportunities for the speculative behaviour which destabilises the industrial economy: the policy is ultimately self-defeating. If there is an ethical case for providing people with land, on what basis other than arbitrary bureaucratic criteria can it be allocated to some and not to others? Do those who retain employment in the urban sector abandon their claim to the community's natural resources?

A tax on the full market value of all land removes the incoherencies in the ethical case by ensuring that the value is equitably distributed to everyone through the democratically controlled exchequer. And the power to exercise control over the lives and welfare of others would be destroyed. Anything less than this radical reform is not a serious programme, but would ultimately conserve the power of those monopolists in situations which have hitherto succeeded in thwarting the expectations of Adam Smith and the aspirations of working people in our industrial society.

REFERENCES

1. Account delivered to Land Reform Forum, Fourth World Assembly, London, Summer, 1981.
2. Foreword to G. Herbert, *Can Land Settlement Solve Unemployment?* London: Allen & Unwin, 1935.
3. Speech reported in *The Times*, 3.8.35.
4. W. Hannington, *The Problem of the Distressed Areas, 1937*, Wakefield: E. P. Publishing Ltd., 196, p.191.
5. *The Times*, 1.11.35.
6. *Ibid.*, 3.8.35.
7. *Manchester Guardian*, 2.11.35.
8. E. Goldsmith, 'The Ecological Approach to Unemployment,' *The Ecologist Quarterly*, No. 1, Spring, 1978. It was not until March, 1981 that the Ecology Party adopted land value taxation as a policy to deter speculation.

Not so enterprising

LAND HUNGER is the main reason why firms are moving into Britain's new Enterprise Zones. Despite the hundreds of thousands of acres of vacant land in urban areas, many firms have not been able to expand for want of suitable space.

Three quarters of the land is unused or heavily underused, and the enterprise zone designation appears to have encouraged owners to release it for use.

Tentative conclusions can now be drawn, based on the first year's experience, as a result of research by Roger Tym & Partners, a London-based firm of land economists commissioned by the Dept. of the Environment to monitor the experiment.

Their first report* reveals that one of the two primary attractions of the zones is that they offer firms the opportunity to expand. They are moving into the zones not because of an increase in demand for the goods and services they produce, but because they were previously held back by a shortage of land.

THE OTHER benefit postulated in the report is that incentives – such as the 10-year moratorium on property taxes – reduce the price of land.

But are rents and land prices lower than they otherwise would be? The results of the study of land values being undertaken with the Royal Institution of Chartered Surveyors are not yet available. Tym & Partners, however, are correct to anticipate the trend:

"As firms in the zones are exempt from rates and other burdens, competition for sites in the zones may be expected to intensify, producing higher returns for landowners and developers."

The report on land values, when it is published, can be expected to yield some sensational data.

In London, for example, the Isle of Dogs Enterprise Zone is currently the scene of some vigorous speculative activity. The Docklands Development Corporation has received 15 bids for the first three sites. These sites comprise 13 acres of land for mixed development, and the offers range from £70,000 to £170,000 an acre.

The idea that zone incentives reduce the price of land is likely to be exploded as a myth.

By IAN BARRON

If speculators are cashing-in – and Treasury Ministers have already conceded that they expect landowners to directly benefit (by capitalising tax exemptions into higher land prices) – this could be politically damaging for the Government.

CHANCELLOR of the Exchequer Sir Geoffrey Howe, in opening the Isle of Dogs zone on May 21, reminded his audience that the concept of British enterprise zones was originally his.

And that these zones, of which there are now 11, were designed to "attract people with enterprise and initiative to generate new wealth and new jobs."

The object of the zones was to encourage developers to erect factories and workshops through 100 per cent tax allowances on industrial buildings.

If achieved, this would indeed offer hope to some of the 3m unemployed, most of whom live in the industrial wastelands of the West Midlands and the North.

But Tym & Partners reveal that the zone incentives do not favour labour-intensive manufacturing industries. For both private developers and potential investors, the biggest gains are from offices, shops and hotels.

The overall impression from these initial results, then, appears to confirm the theoretical prediction that the zones will not expand income or employment in any significant way; that the main beneficiaries will be existing landowners; and that the increased economic activity will be concentrated in geographical areas or sectors that are already active – doing little for the declining areas of high unemployment.

The failure of the enterprise zones as an economic experiment ought to point politicians in the direction of more appropriate reforms in the future.

Enterprise Zones: Year One Report of the Official Monitoring Study, London: Roger Tym & Partners, £30.

SPECULATORS cash in on land shortage