

LABOUR AGRICULTURAL POLICY

The Report of a Committee

An important report entitled, "A Labour Policy on Agriculture," which has recently been published and endorsed by the General Council of the Trade Union Congress and the Executive Committee of the Labour Party embodies the proposals which the annual conferences of those two organizations are to be invited to adopt.

It is a truism that agriculture depends on land, and a prosperous system of agriculture can only be based on a sound land system. The report acknowledges this proposition, but without any appreciation of the real faults of our land system. Like the Liberal Land Report, it emphasizes the failure of the landlord "to play his part" by undertaking the supply of capital. It would be more correct to say that landlordism makes it impossible for the tenant to supply the capital by the power to confiscate it as it is produced.

The report entirely overlooks the effects of an enormous amount of land being held out of use not merely in curtailing production but in increasing the rent or price of the remainder of the land in actual use. It ignores the fact that so much land in Britain is in very large holdings, that small holdings are few and scattered, and that co-operation between smallholders is consequently handicapped in a very high degree. It makes no mention anywhere of the anomalies of our present rating system which result in smallholders frequently paying two or three times as much as the large farmer pays for an equal area.

When the foundation of the report is so inadequate, it is not surprising that the superstructure is shaky. The main proposal is that agricultural land should be acquired by the State, but land occupied by the owners would be excluded and so would land in semi-urban areas with a substantial site value. The owners would be compensated by being given Government securities. The measure of the compensation is to be based in some way upon the assessment for Income Tax Schedule A, but how many years' purchase is to be taken is not stated. It is further proposed that the compensation of the inefficient landlord shall be diminished in proportion to his failure to maintain the proper condition of the holding. This is so largely a matter of opinion that the task of the valuer is likely to be an unhappy one.

The principle of compensation is fully admitted. Who will compensate the landless who have been robbed for generation after generation? The proposal for land purchase means in addition that the landlords will be paid out on the basis of the highly inflated values now prevailing, due to so much land being held out of use. The occupiers of land (that is, the producers) will continue to be burdened with these high prices in the shape of interest and sinking fund as well. This wholesale purchase of land at inflated values is advocated in spite of the admission that public authorities will only be able to make use of a small amount and that for many years to come individual occupation of land will be the prevailing rule.

It is to be noted that the proposals for land purchase do not extend to all agricultural land, let alone other land. But the land question is one and indivisible. The principles of economics and justice that apply to building sites, mines, quarries and so on, apply as well to agricultural land. If the wholesale purchase of land at inflated values is once proposed, how can it be confined to agriculture? It must extend to the inflated values of the cities and the industrial areas as well. The Socialist Chancellor of the Exchequer will be well

advised to avoid this speedy road to insolvency, though the landlord class should support it.

The report makes the policy of the taxation of land values (to which the Labour Party and the T.U.C. have time after time pledged their adherence) altogether impossible. It is not feasible to compensate large classes of landlords while at the same time imposing drastic taxation upon others which will much depreciate the value of their land. Public opinion will never support such a policy.

This Labour policy also makes the rating of land values in rural areas entirely impossible. It consequently makes the relief of improvements from rates impossible, although that is vitally needed for the encouragement of smallholdings and intensive cultivation. It is remarkable that the report makes no mention at all of the question of local rating.

Reactionary Proposals

The report deprives the community of the advantage of the relentless and universal pressure of the rating and taxation of land values in forcing land into its best use, that use being measured by the exact and scientific process of valuation of land-value. It substitutes for this the capricious partial and arbitrary direction of a medley of government officials, county agricultural committees and rent courts guided by sympathy and not by science.

It is remarkable how little hope the report holds out to the agricultural labourer. His only chance of higher wages appears to be through Wages Boards, but these evidently are only to prevent anomalies such as a minimum rate fixed below 30s. The demand for smallholdings is but grudgingly recognized. It is admitted that there is still a place for smallholdings in British rural economy, but it is implied that it is a very small place. The labourer is therefore not to have the opportunity of emancipating himself by becoming his own master and earning a living as an independent producer—and be it remarked that if only a moderate number had this opportunity the rest would soon be able to demand practically the same remuneration for working for a farmer. No, the ideal apparently is that he shall become a hand on a bonanza farm. It is noteworthy that no mention is made of the much greater productiveness of small farming, of which Denmark is a particular example.

We wonder how this report is reconciled with the resolutions on the Land, Local Rating, and National Finance adopted at the Labour Party Conference at Liverpool last year. These resolutions demanded a national land valuation, a national flat rate tax on land values, and power to local authorities to rate land values. The resolutions pointed out that the taxation of land values was a means of (i) collecting the economic rent for the community; (ii) deflating land values and so cheapening land; (iii) promoting the most profitable use of land; and (iv) facilitating the acquisition of land by public authorities.

The Labour Party cannot possibly adopt this new agricultural land policy without making itself ridiculous in the eyes of those who stand for the Liverpool resolutions. The idea seems to be that the land value policy is for town and not for country, but it is too late in the day to cling to this superstition; agricultural Denmark has forever destroyed it. The General Council of the Trade Union Congress and the Executive Committee of the Labour Party should try and get abreast of the times, and not lag behind, in unison with their political opponents. In Denmark the taxation of land values, carried by a Labour Government, has been successfully applied to all land, urban and rural, and the British Labour Party ought to know something about it.