

as many as possible of these lads to be educated in the new boarding school and, almost certainly in the case of some of them, then to be trained to serve in the Sacred Ministry of the Church of which Frederick Verinder was so loyal a member, or to follow some other vocation.

Writing about the building of a new Church to replace a mud building that collapsed in a storm, one of the mission priests strikes a familiar note. He says, "This part of Swaziland has seen as much of the bad side of European land-grabbing as any other part of the territory, and the common fear, outside the Church, was that we would put a fence up and call the land our own. Land

in Swaziland is still common and European ideas of private property have caused much suffering in the past. So we promised to put up no fence. Also we were careful to say that the Church would be put up by the Swazis for themselves, and that it was not a matter of white men putting up a building and then claiming the land on which it stood."

Surely the heart of one who spent most of his long life battling for the "dispossessed" in his own country would rejoice to know that his life has inspired this small effort to help even so few of the dispossessed of a still dark continent.

Two former Labour candidates—both farmers—discuss

Land Nationalisation—For and Against

A New Fabian Tract Critically Examined

FIVE years ago a section of the Labour Party was loudly demanding the nationalisation (by purchase) of rented farm land. Their proposals, never very clearly defined, were resolutely opposed by Sir Hartley Shawcross and the late R. R. Stokes, and others influential in the Party. Since then the matter has been largely in suspense. It returned to the political arena in February with the publication by the Fabian Society of Tract 312.* In this, two farmers, both former Labour Parliamentary candidates, argue the pros and cons of taking all farms into state ownership.

John Mackie contends that nationalisation would lead to agricultural land being put to its fullest use. It would be, he declares, a magnificent investment that would cost the country "practically nothing." He sees no reason why tenanted farms should not be taken over immediately. Harry Walston disagrees. There are, he submits,

"strong practical reasons why the wholesale nationalisation of land would result in inefficient administration, lack of confidence and opposition by farmers and by all those with ambitions to become farmers, and a general feeling of uncertainty throughout the whole farming community which could only have an adverse effect upon production."

This forthright denunciation is considerably vitiated by Mr. Walston's counter proposal that farms should be nationalised gradually.

There is a marked similarity of outlook between the two writers, despite their disagreement on the degree and timing of nationalisation. This, of course, is not surprising. Each is obviously a protectionist and it may be deduced that they both accept without question that agriculture should continue to be subsidised indefinitely. They both pride themselves on their "practical" approach to the question which resolves itself mainly into how best to improve farm management and to provide considerable fixed capital equipment. Their common object is to increase home food production.

Why is it so desirable to produce more food in Britain? To Mr. Mackie this is the way to save "scarce dollars" and to bring within reach a solution of "our economic problem." Mr. Walston takes a broader view. He contends that "world poverty is not simply that some people have too much and that, therefore others go without." He asserts that at present there simply is not enough, even if equitably distributed, to ensure reasonable standards for all. It is not quite clear whether he is referring to a shortage of wealth in all forms or only of food, but he is emphatic that "if world poverty is to be abolished, production must be raised." As we shall show, this is naive and as fallacious as Mr. Mackie's view.

THE RENT OF LAND

By concentrating attention on "practical" questions, the writers neatly dodge consideration of the fundamental issue which lies at the heart of agricultural no less than of all other domestic "problems." This is the private appropriation of the economic rent of land. The legal fiction that land rent, a communal product, is private property is tacitly accepted by both writers. This leads them to propose that dispossessed landlords should be compensated. Neither breathes a word against the monstrous wrong whereby a privileged minority is legally empowered to sequester the nation's income and, if it should suit them, to withhold the opportunity to work the land to which no man has any greater right than another. Any political commentator who, for whatever reasons, ignores this maladjustment thereby automatically forfeits all claim to respectful attention.

It is worth listing some of the consequences which, directly or indirectly, have their source in the private ownership of the rent of land. It was the direct cause of the agricultural distress in the past, as it is of the present subsidy programme. The hundreds of millions of pounds which have been taken from taxpayers with the express purpose of helping agriculture have found their way to the pockets of the landlords and those of their tenants

* Land Nationalisation—For and Against. The Fabian Society, 11 Dartmouth Street, S.W.1. 19 pp. 1s. 6d.

who, because they pay less than the free market rent, share with them the value of land. The subsidies, etc., in harness with the rate-exemption of farm land, have raised the price of farms to extortionate levels. As a result, many would-be farmers are barred from entry to the industry while others are saddled with a millstone of mortgage debt. Is it any wonder if the latter cannot afford to equip their farms adequately? Because land is dear, farmers have lent their mistaken support to a policy of protection. This has been to the obvious detriment of the general body of consumers and, because it, too, has further enhanced land values it has been of no assistance to farmers as such. A further aspect of the same underlying cause are the evictions and the bureaucratic regimentation which have been part and parcel of post-war agricultural policy.

"DOLLAR SAVING"

We pause now to examine the contention that maximum home food production is desirable for the three reasons given. First, that it would "save scarce dollars." It is true, of course, that American and Canadian farmers require payment in dollars for the food we buy from them, and that British farmers willingly accept depreciated pound notes (provided they get enough of them) for the food they supply. Therefore we "save dollars" when we buy British. But two points have to be borne in mind. The "dollar shortage" is an artificial condition which arises only because a protectionist Government fixes exchange rates. It does so in order to control trade to the advantage of favoured domestic interests. There was no "dollar shortage" before the war, when currencies were freely convertible, nor would there be if Exchange Control were swept away. It would be unwise to base a long-term policy on an attempt to circumvent what may be a purely temporary measure. Moreover, and this is important, any attempt to become self-supporting in food or anything else is attended by a "loss" of dollars certainly as great and probably far exceeding in quantity what is "saved." The so-called "dollar gap" would widen.

Mr. Mackie's second notion, that "our economic problem" would be brought near to solution by increasing the output of British Farms is equally fallacious. The very opposite would be the case simply because men and materials would be diverted from more profitable production. The country as a whole would be poorer—there would be less wealth.

CAUSE AND EFFECT CONFUSED

We would not like to think of people in Africa and Asia or anywhere else starving because we had helped to prevent the nationalisation of British farms. It is a relief, therefore, to be able to dismiss as the veriest nonsense Mr. Walston's view that people are poor because there is not enough to go round and his implied corollary that if British families ate less imported food, poor, hungry people overseas would be better fed. He has the matter face about. It is because people are poor, that is, because

they lack wealth to offer in exchange, that total world food production is low. Effective demand governs supply. If British demands for Canadian wheat and Australian meat could be reduced, that would not mean extra bread and a weekend joint for the Bengalese labourers. Dominion farmers would simply cut back production. And in Britain, the poorest people would either have less to eat, or would have to forego some other necessity, because under Messrs. Mackie's and Walston's brave scheme, *food in Britain would be dearer*. The desk-farmers in the Ministry of Nationalised Farming could be relied upon, in their zealous determination to secure the maximum possible production, to push crops and livestock up the bare mountainsides and across moorland in pursuit of the ever-receding margin. And it is the cost of producing at the margin which governs prices.

NEVER MIND THE COST—

With the purported primary reason for nationalisation thus dismissed, we are ready to consider some of the other points made in its favour. But first, how much would it cost? Like earlier advocates of similar schemes, these Fabian writers skate lightly over the issue as if it were of minor importance. Mr. Mackie writes:

"It looks as if it should be quite possible to purchase all agricultural land for between £1,400 and £1,600 millions. There would, of course, be no question of paying this in cash. Land Bonds would be issued, and there is a strong case for them running out over a period of years. It might be better simply to continuing paying landlords the rent they have received for a period of years. This would make arbitration easier and would stop any tendency to create inflation. If Bonds were issued, death duties would take a proportion of them as time went on. There should be machinery for arbitration should any disputes arise."

In addition to buying the farms—land and buildings—the State have to sink several millions of pounds in new capital equipment. Mr. Mackie mentions in passing that "we are reputed to be anything between 400 and 500 million pounds behind [Holland and Denmark] in the provision of fixed equipment on our land." Presumably he accepts that as the sum that the taxpayers would have to find in addition to the burden of servicing and redeeming the Land Bonds.

—OF PERHAPS £2,900 MILLION

Mr. Walston accepts as one of the most reasoned estimates of the cost of capital re-equipment, the figure of £439 million put forward by Chevely and Price.*

"This is a formidable sum and it cannot be too strongly emphasised that this is fresh capital which will have to be invested in agricultural land, and has nothing to do with the amount of capital that would have to be found as compensation to dispossessed owners . . .

* *Capital in U.K. Agriculture, Present and Future*, Netherhall Press, 1956.

J. T. Ward gives convincing arguments in support of a figure of £1,500 million for England and Wales which would mean somewhere between £2,000 and £2,500 millions for Great Britain. Whatever this sum might amount to it could without difficulty be met by the issue of land bonds bearing a fixed rate of interest: but the extra investment would have to come out of the total "national annual investment."

A DISCREPANCY

Readers will have noted the discrepancy of between £400 and £1,100 million in the estimates of what the purchase price might be. Also notable is the glib way that both writers infer that vast sums can be added to the National Debt quite painlessly. Is it not extraordinary—and highly suspicious?—that £2,500 million could be met "without difficulty" and yet a little more than one-sixth of that amount—£439 millions—is described as a "formidable sum"? Is the hope harboured that the Bonds might be repudiated? One is reminded of Mr. George Dallas's 1953 farm land purchase scheme—"a paper transaction and therefore no burden on the nation."

THE "RIGHT" PEOPLE

Under nationalisation, according to Mr. Mackie, farms would be not only well equipped but they would be "let to the right people"—adequately trained farmers. Boundaries would be redrawn to form more efficient units; rents would be increased to an economic level—this would be "an added incentive to increase production"—and they would be levied on a differential basis. Without explaining why, and it would be interesting to know, Mr. Mackie assures his readers that "differential rents . . . cannot be applied unless farms are let by the State." Since a glance at the real estate columns of the press shows differential rents being charged for farm land and different per acre prices being realised when farms are sold, this is a little difficult to follow. An interesting admission is that:

"protection applies to the prices of the farmer on the good land as well as the farmer on bad land. This, of course, leads to a very big income for the good-land farmer if the poor-land man is to get a living."

Mr. Mackie criticises the "whims and fancies of personal and private ownership" as being detrimental to tenants and the land itself. Nationalisation, he believes, would ensure a continuity and constant improvement of the productivity of the land. In view of the regular annual changes in post-war agricultural policy this is taking too much for granted. An interesting point he makes is that although at present:

"there are huge areas—particularly in Scotland and Wales—whose only use would be for production of trees, the Forestry Commission cannot acquire them because they are in private hands; and because good ground is available for sale that is more suitable for agriculture, the Commissioners are forced to buy this and plant it."

April, 1958

While one can accept the argument that this curious state of affairs could be ended by nationalisation, it must be pointed out that a good tax on land values would have the same effect.

Management of state farms would rest with a Central Land Board responsible to the Minister. Some 600 to 800 qualified land agents would each manage estates of between 30,000 and 50,000 acres, collecting rents, attending to repairs, dealing direct with farmers, and acting as estate agents of private landlords do at present. They would be responsible to local Land Boards each comprised of about 12 appointed members. Each Board would be responsible for three to five estates.

IMPRACTICABLE

Contradicting much of this, Mr. Walston denies that under Mr. Mackie's plan, the "right people" would get farms. "No form of examination yet devised can help in the selection . . . there is little reason to think that in decisions such as these a Committee is more likely to be right than an individual." On re-drawing farm boundaries he writes: "There is little reason for supposing that any greater progress would be made under nationalisation" than during the past ten years when "nothing has been done" although the Ministry has powers under the 1947 Act. As for management, Mr. Walston contends that much agricultural land today is badly administered, "and little would be gained by taking over those same bad administrators and transforming them into public servants." He thinks it improbable that sufficient qualified estate agents could be found to administer large estates efficiently, that is, if all rented land was taken over. Instead he recommends what he calls "functional" nationalisation by which in areas where it can be shown that less is being produced than they should, large blocks of land would be "dealt with." This, presumably, means compulsorily bought. Preferably they should be adjacent to present state farms as this would facilitate administration. By this means, Mr. Walston believes, the greatest return could be secured, and the risk of antagonising the farming community would be kept to the minimum.

The one Labour farmer has destroyed the other's case for wholesale nationalisation. We do not need to examine separately Mr. Walston's proposal. Our objections to land nationalisation are based firmly on grounds of principle and practicability. They apply alike to both schemes. And, anyway, Labour M.P.s (see page 54) have poured water on the Fabian Society's squib. No doubt others will appear from time to time until finally the land question is solved.

CORRECTION—State Medicine and Insurance

In our previous issue (pp. 38/9) the estimated gross cost for the next year was variously shown as £470 million—£740 million. The latter is the correct figure.