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Is British Socialism a Success?

By HARRY POLLARD

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IT would be best to dwell for a while on the conditions which led to socialism in order to see how it comes about in a relatively stable democracy—that is, one where a government is defeated by an electorate rather than by nitroglycerine. A democracy in which the loudest sounds in the Parliament buildings are the anxious voices of the Members asking the press reporters about the legislation for which they have just voted.

In 1945, the British people went to the polls with an alternative . . . to vote for the war leader Churchill and get the Conservatives, or to vote for the Labor party. Churchill used his popularity to try to swing the election, and he failed—perhaps because of his method—and the Socialists were given a crushing majority.

Without doubt the Tories were associated with the dark years of the 1930's, and the mood of the people was to try something new. It was expected that there would be a shift to the left but no one, not even Morgan Phillips—the Labor party manager who generally forecasts results to 3 decimal places, realized the extent of the change-over.

So, the election was over and the Labor party was in power, pledged to nationalize all the means of production, exchange and distribution of wealth.

Surprise

Once the results were confirmed the Socialists were jubilant. The only trouble was that they had plenty of policies but precious little program. They had been caught so effectively by their own success that they had not prepared their methods for carrying out nationalization. However, that did not prevent them from being extremely boastful about the results of their antics. Indeed a gentleman by the name of Aneurin Bevan trumpeted that the housing problem would be solved in six months—probably because he was Minister of Housing. He is still trumpeting and we still have the housing problem.

Incidentally, during the war some 233,000 buildings were destroyed and 150,000 new ones built, but the heart of our problem lies in the fact that of our 12,600,000 separate dwellings, some 6½ million were built before 1900. In England at the moment some 200,000 houses are becoming derelict. The Socialists during their term of office built about 200,000 per year. Work it out for yourselves. They just about managed to keep up with those which were falling down.

Socialist Method

The Socialists in power began to do something almost unheard of in politics. They tried to keep their promises. They nationalized the Bank of England; the coal, electricity and gas industries; certain sections of road transport; British cable and wireless; civil aviation and iron and steel industry. They also set out to control the British economy physically with the idea in mind that they could iron out the severe fluctuations which led to the general slump.

The bible of socialism may well be *Das Kapital*, written by Marx—apparently between scripts for "You Bet Your Life"—but without doubt the operations manual was written by Lord Keynes, probably just in time, for had it not been written modern Socialists would have had precious little theory to put into practice.

Keynes suggested that people in a recession had no place to work—or more specifically—no one to offer them work. Therefore if the government initiated work projects then that would inject a shot in the arm of the economy enabling it to crawl out of the slump. Naturally, the government would have to find money to pay these workers but once again a simple solution seemed to present itself: during the boom which preceded a slump all that would be necessary would be to over-tax and so build up a reserve which could be used in due course. Indeed it was believed that by dampening during a boom and stoking up during the recession the economic fires could be kept burning nicely without severe fluctuation.

Harry Pollard, who was a Liberal Parliamentary candidate in the 1951 General Election, is shown at the microphone at North Ilford, following the count of votes, saying in effect, "I'll get you yet." Over his right shoulder can be seen Sir Geoffrey Hutchinson, now Chairman of the British National Assistance Board. The other rosette wearer is Squadron Leader A. E. Cooper, Member of Parliament for South Ilford.

And Its Result

The result of this type of planning—even in a Britain bolstered up by aid from overseas and with a world crying out for her manufactures was not very satisfactory. In July 1949, Sir Stafford Cripps said of the post-war situation, "We have been trying to deal with it by a series of temporary expedients which have led to a series of crises as each expedient became exhausted."

You see, they found that attempting to control an economy was very much like trying to repair a very old bucket. As fast as one hole is plugged another opens and lets water again. Information received by the planners is often insufficient and out-of-date. In order to make any reasonable attempt at all, it is necessary to rely a great deal on personal analyses of the situation, which is another way of saying, guess-work.

The British economy is by its nature a trading economy. It is necessary to import about half our food and a large part of our raw materials. So we are particularly susceptible to overseas economic trends. This would not matter too much if we had a flexible economy, but we haven't.

To analogise—when a glass bowl is kicked it breaks but when a football is kicked it gives almost until the opposite sides touch, then it springs back into its original shape. The planned economy breaks but the free economy gives and readjusts.

By football I do not refer to American Football but to English Soccer—where the players only kick each other.

Welfare State

The biggest change in the national framework is the extent to which the welfare state has grown. National insurance—embracing the health services, unemployment insurance, family allowances, maternity benefits, retirement pensions, sickness pay and national assistance—follow the citizen from the cradle to the grave, from the womb to the tomb.

However, the benefits paid out are increasing faster than the revenue, and sooner or later the whole fabric will crack. Already, more than 1¼ million people are receiving national assistance, which means that the normal benefits of the welfare state are insufficient so they must go and ask for a further handout. In addition, the ratio of the aged to the producing part of the population is increasing, meaning that year by year more and more must be supported by less and less. Lord Beveridge, whose report began the welfare state, estimates a defi-

(Continued on Page Eight, Column Three)

British Socialism

(Continued from Page One)

ciency in the national insurance fund of \$1¼ billion by about 1975.

Over here you don't know what taxation is, but in England it does kind of intrude itself upon your everyday life. For example a packet of cigarettes costs about 50 cents, of which 10 cents are for the cigarettes and 40 cents are for the tax. You grumble about your sales taxes but our purchase taxes begin at 25 per cent and go by rapid stages to 75 per cent on such luxuries as lipstick, face powder and talc powder — which are of course only used by the rich. This marks a concession by the Tory government which reduced purchase taxes to these levels.

So we come at last to the title of this talk— Is British Socialism a Success? The answer is that it has failed because while it has for a while alleviated some of the worst injustices of the present system, it has done nothing to solve the causes of those injustices. It has spent so much time slapping on every conceivable poultice that it has had no time to investigate the wound.

Success

It has succeeded in so much as that its continued progress toward complete socialism seems assured—for this reason. The Tories, in their rather befuddled way, are attempting to denationalize the nationalized industries. They are not really succeeding. The Socialists have stated that anything which is denationalized will be re-nationalized as soon as they get back to power. This has obviously made prospective buyers very reluctant to deal with these industries. The Tories are giving away bargains — particularly in road transport — but they are finding difficulties. I believe that by the time the Socialists come back to power which might be at any time (and remember that although they won fewer parliamentary seats in the 1951 general election, they gained more votes than the Tories) very little denationalization will have been accomplished. Then more industries will go down—first on the list are sugar, cement, chemicals and industrial life assurance—and we will be faced with the Tories giving us little more than wayside halts on the road to socialism.

Remember, it was the right-wing Socialist leader, Herbert Morrison, who said as late as October, 1952, "We have not finished with nationalization. We must never say we are finished until we have nationalized *all* the means of production, distribution and exchange."

So I believe that although socialism has failed to bring to England an era of justice and freedom—it has succeeded in embarking on a journey to a destination which, unfortunately, it may well reach.