

11 INTO THE TWENTIES.

We hold the position that the whole economic value of land belongs to the community as a whole . . . When the Labour Government does sit upon those (i.e., the Government) benches it will not deserve to have a second term of office unless in the most determined manner it tries to secure social wealth for social purposes.

Philip Snowden, MP House of Commons, 4 July 1923.

The Parliament which met at the end of 1922 pursued a policy which Government supporters called "tranquility", but which the Opposition was more disposed to describe as stagnation. Only two pieces of legislation which had any bearing on the land problem emerged, and neither of them could be regarded as of major importance.

An Act of 1896 had halved agricultural rates; the Agricultural Rates Act of 1923 reduced them to a quarter of the assessment. Neville Chamberlain (son of Joseph, half-brother of Austen) defended these proposals on the grounds that agriculture had fallen into a "desperate condition"; but as the total rate reduction amounted to less than £3 millions, Government supporters and opponents alike were unable to discover any prospect of significant improvement.

The second measure which bore on the land question arose in connection with the Finance Bill of 1923. While the proposals were being debated, an amendment was proposed by Sir William Bull — a Conservative backbencher long noted for his extreme opposition to anything remotely resembling land taxation. Under the Finance Act of 1909-10, landowners were required to supply the Land Valuation Department with particulars of sales and leases, and this obligation had not been removed in 1920. Bull's amendment proposed its removal forthwith. The Government, which was in the process of examining the valuation question in some detail, asked for the amendment to be withdrawn, and the mover was prepared to do this. With incredible ineptitude, some Labour Members insisted that it should be put to a division — with the predictable result that the amendment was carried.

One of the most interesting features of the vote was that the Lloyd Georgeite Liberals split deeply — eight opposing the amendment and ten supporting it.

Bonar Law fell ill in the spring of 1923, and was replaced by Stanley Baldwin. In the autumn, the new Prime Minister made a famous declaration in favour of Protection, which immediately precipitated the General Election. The Liberal groups reunited with almost indecent haste, and the three Parties made their appeals to the nation in what was one of the most open elections of modern times. After the poll, the Conservatives remained the largest single Party, but the Labour and Liberal Parties combined were considerably more numerous. These remarkable results produced a period of inter- and intra-Party manoeuvre, by no means all of which is completely understood to this day; but the final upshot was that Ramsay MacDonald, Leader of the Labour Party, was commissioned to form a Government in January 1924, even though his Party held well under a third of the seats in the Commons.

MacDonald showed astonishingly little tact in dealing with his Labour colleagues. That he grossly mishandled Arthur Henderson is well known. The new Prime Minister's treatment of Philip Snowden, the other senior claimant amongst Labour's "old guard" — and a noted land-taxer to boot — is less well known. A contemporary journalist, whose information seems reliable, gave a remarkable sidelight on the appointment: "You have all been wondering who(m) JRM has been relying on — if anyone — for advice in the formation of his government. No one has hit upon the fact which has been very carefully concealed. But he has gone to the worst possible source for advice and inspiration — F. W. Hirst. Last week JRM, Hirst and Lloyd George breakfasted together and went through the Cabinet proposals. JRM offered Hirst the Chancellorship and pressed him to take it. Hirst refused, in JRM's own interest, as he believed the Party would not stand the exclusion of Snowden, and it was Hirst who advised Snowden for it. Hirst has got Parmoor to come in and influenced some other strange selections . . ."1

This enforced inclusion of Snowden was of great importance from the land-taxers' point of view. Another famous land-taxer was also included in the Cabinet in spite of the Premier's reluctance. It will be recalled that Josiah Wedgwood had transferred to the Labour Party in 1919. In the period which followed he

rose rapidly in Labour's ranks, and by the time the first Labour Government was formed he was Vice-Chairman of the Labour MPs. Dame Veronica Wedgwood, in the biography of her uncle, describes the new Prime Minister's encounter with his distinguished follower: "When MacDonald at last sent for him it was only to offer him the very minor post of Financial Secretary to the War Office. Josiah pointed out that as Vice-Chairman of the Parliamentary Party he could hardly take less than Cabinet rank. 'That is just what is so unfortunate', said MacDonald ungraciously, 'however, I will see what I can do for you'."²

This encounter between the Prime Minister and Wedgwood is the more poignant when one recalls that MacDonald found himself so short of talent in his own party that he was compelled to incorporate such dubious and recent converts as Lords Haldane and Parmoor in senior office.

If it were possible to guess the behaviour of a government from the known views of the MPs who sat on its benches, or were prepared to give it some measure of external support, then there would have been every reason to think that the First Labour Government would engage in a vigorous policy of land reform. One hundred and thirty-eight of the Labour MPs, and sixty of the Liberals, had given sympathetic replies to a questionnaire circulated by the United Committee for the Taxation of Land Values at the time of the election. The Chancellor of the Exchequer and at least two³ other members of the Cabinet were committed supporters of land-taxing, not merely in the sense that they had given formal assent at election times, but also in the sense that they had been active and vigorous propagandists for the cause over many years. Few, if any, of the Labour or Liberal MPs would have been likely to provide active opposition to any initiative which the Government might take on the matter; and such initiative might well attract Liberals to the Labour Party.

As the Conservatives were considerably more numerous than the Labour Party in the House of Commons, the survival of the Government depended upon the continued willingness of the Liberals not merely to abstain from opposing the Ministry, but actually to vote for it in the division lobbies. Any government of any kind will inevitably do things from time to time which are hard to defend. Ordinary political experience shows that it is often difficult enough to persuade a government's own back-benchers to render the necessary support; to ask members of

another political party to do so when they are being attacked by Government partisans in their own constituencies is too much. There was no sort of understanding between Labour and Liberal Parties as to the terms on which Liberal co-operation would be given. In addition, the Liberals were experiencing very considerable internal strains for several quite separate reasons. The Government suffered from all the consequences of inexperience; while speeches from supporters made matters steadily worse.

Thus was the Labour Government of 1924 confronted from the start with difficulties which were largely of its own making. Two notable pieces of legislation emerged all the same. John Wheatley's Housing Act greatly increased the Government's subsidy for local authority housebuilding, and proposed to extend that subsidy for fifteen years. Snowden's Budget repealed the "McKenna duties" which had been introduced in 1915 in order to save shipping space, and which had been twisted by Austen Chamberlain in 1919 into a device of Imperial Preference. The new Chancellor was also under some pressure to initiate plans for land taxing. Snowden could not introduce any relevant proposals into the Budget for reasons of parliamentary procedure. He was advised that even the restoration of machinery to collect information about land transfer would be out of order in a Finance Bill; but on the Chancellor's recommendation the Cabinet agreed that a short Bill should be introduced for the purpose. They also accepted his proposal that the Land Valuation Office "would become concerned in a new valuation of land for the purposes of new taxation".⁴ Both in his Budget statement and in an important speech delivered a few weeks later in his own constituency, Snowden gave public intimation of his intention to value and tax land.

The whole atmosphere of the Parliament which met in January 1924 was bedevilled by party politics in its worst form, and this made any long-term programme impossible. Politicians played for position, for short-term tactical advantage, with little attention to the long-term interests of the community. The eventual defeat of the Government over the "Campbell case" in October 1924 reflects little credit on any of the three Parties. The General Election which followed was even more discreditable, and in its latest phases was dominated by that notorious forgery, the "Zinoviev letter". The Conservative Party won a large overall majority; the Labour Party lost a considerable amount of ground; while the Liberal Party was reduced to about forty seats.

All reasonable hopes of radical land reform of any sort could be abandoned so long as the new Parliament persisted. Some exceptionally sanguine people drew hope from the presence of Winston Churchill at the Exchequer — but the complexion of the Government as a whole could have left no doubt about the general course which would be pursued. Rather like the Unionist administrations at the turn of the century, this Government would not concede anything to the really radical land reformers, but nevertheless was willing to introduce quite substantial measures of a less fundamental character; while Ministers sometimes found themselves subjected to unwelcome pressure from their own nominal supporters who were a good deal less willing to countenance mild land reform.

The most famous land legislation of this Conservative Government was the Law of Property Act of 1925. This covered a great deal more than land; but, so far as land law is concerned, it is probably the most comprehensive statute in existence. The Act was largely a consolidating measure, and many of the important alterations in the old law which it enshrined had been proposed in the Coalition period by Lord Birkenhead, and passed into law just before the fall of Lloyd George's government.⁵

Although no radical land measures emerged from the Government, the land question was very far from dead as a political issue — particularly, but by no means exclusively, in connection with agriculture. The trade depression which affected industry and produced widespread and persistent unemployment throughout the 1920s and 1930s was paralleled by a depression on an equal or greater scale which affected many branches of agriculture. Special favours to farming, whether through "protection" or through large-scale subsidies, were more or less out of the question, because cheap food was essential for the urban population.

In this economic climate, people often adopted different attitudes to the actual proposals which were set in front of Parliament from those which they would have taken a few decades earlier. A good illustration is provided by the question of agricultural derating.

In 1896, the proposal to collect only half of the normal rates on agricultural land was regarded as essentially a favour to the landlords' interests, and a measure which conflicted with the aims of the land-taxers. By 1923, when Bonar Law's government

further reduced agricultural rates to a quarter, the relative importance of site value by comparison with improvement value of agricultural land had become so small that the Government proposals represented mainly a relief on improvements rather than on site values, and the opposition of the land taxers was far less sharp. In 1929, Baldwin's government proposed to derate agricultural land altogether. By this time, some agricultural site values were literally *nil*, and cases were reported in the Press where owners were offering marginal agricultural land free, but could get no takers; overhead costs would exceed the value of any crops which might be grown. The 1929 measure was sometimes criticised in detail; but the principle behind it was practically non-contentious. On the other hand, there was no doubt whatever that urban hereditaments possessed enormous site values.

The general depression of the inter-war years was not immediately recognised as a chronic problem. In the early 1920s, it was regarded as an unfortunate economic aberration which was due to a temporary slump, and which would be overcome automatically when trade recovered. As the 1920s advanced, people came to realise that the problem would not solve itself, and they became more and more interested to discover what politicians had to offer in the nature of possible remedies.

One of the most extraordinary features of politics in the period of Baldwin's government is the rôle of the Liberal Party. In the House of Commons, the Liberals had sunk to a position of virtual impotence; yet in most economic discussions — whether on land or on other matters — it was the Liberal proposals which made the running. People might like or dislike those proposals (and some of the bitterest critics were themselves Liberals) — but nobody could ignore them.

Almost immediately after the 1924 General Election, Lloyd George was elected Chairman of the Liberal MPs. A few days later, a body of Liberal MPs, most of whom were personally hostile to Lloyd George, constituted themselves the "Radical Group", under the leadership of Walter Runciman. The Radical Group laid special emphasis on land value taxation in their pronouncements; but it would be quite wrong to consider that the division between Lloyd Georgeite and anti-Lloyd Georgeite Liberal MPs had much to do with policy. Each section included men with widely disparate political attitudes; and one of the

oddest aspects of the situation was that while Lloyd George was himself proposing policies of a very radical nature, some of his closest followers held views indistinguishable from those of the Conservatives.⁶

To the Liberal Party of the time, considerations of finance were no less important than problems involving personalities or policies. The official funds of the Liberal Party were practically exhausted; but Lloyd George was known to control a political fund of enormous dimensions which had been amassed in the days of the Coalition. From this fund he had made a large donation to the Liberal Party in 1923, and a much more parsimonious donation in 1924; while he continued to spend the money lavishly on economic enquiries and political campaigns which were kept firmly under his personal control. Lloyd George made the freest possible use of the leading economists of the day. Men like Maynard Keynes, Sir William Beveridge, Walter Layton and H. D. Henderson played major parts in the various Lloyd George enquiries. The reports which they produced were almost guaranteed to become the focus of great public attention.

About a year after the Coalition fell, Lloyd George set up one of these groups of experts, under the name of the Liberal Land Committee, and by the autumn of 1925 its work was complete. Lloyd George foreshadowed the Committee's rural report in a speech delivered to a crowd of 25,000 people at Killerton in Devon, in the middle of September. The venue was not without interest, for that meeting was held on the estate of F. D. (later Sir Francis) Acland, who had been one of the leading Asquithian MPs during the Coalition period.⁷ Lloyd George was no man to bear grudges, and was always most anxious to turn former enemies into allies, when he respected their capacity.

Lloyd George argued that other European countries had contrived to maintain a far greater number of people on the land, proportional to their area, than had Britain. This had often been achieved without recourse to protectionist policies. If similar numbers of men could be brought on to the land in Britain, the problem of unemployment would be solved, or at least brought within manageable proportions. Lloyd George went on to argue that the traditional function of agricultural landlords as the instigators and providers of improvements had broken down, and no alternative source of capital had been developed. Ownership of land, he contended, should therefore be resumed by the State,

with compensation for existing landowners in the form of an annual payment. The present tenants and their heirs should not be disturbed so long as they farmed adequately. Lloyd George distinguished this system from land nationalisation because the State would not itself farm the land. He applied the name "cultivating tenure" to the proposals. Only in special cases, such as land taken over for drainage or afforestation, should the land be set under direct State control. Lloyd George went on to argue in favour of much more active encouragement of smallholdings, and further demanded that every agricultural labourer should receive half an acre of land as of right. About three weeks after the Killerton speech, the rural report of the Liberal Land Committee was published, as a book of nearly 600 pages, embodying and amplifying Lloyd George's proposals. It was officially entitled *Land and the Nation*, but became generally known as the "Green Book".

Lloyd George's pronouncement not only attracted immense public interest, but also had an immediate effect on both of the other Parties. Each of them held an Annual Conference during the short period between the Killerton speech and the publication of the Green Book. The agenda of the Labour Party meeting included a resolution on agriculture; but before this was debated, MacDonald intervened and persuaded the Conference to avoid making a pronouncement until Labour's own committee of experts could produce an agreed programme — a task which seemed fraught with considerable difficulty.

A few days later, the Conservative conference accepted a resolution "calling on the Government to make, without delay, a definite statement on their agricultural policy, to carry such policy into effect forthwith, and with a view to the fullest use of the land for production of food and employment of labour, to take further definite steps to encourage the return of grassland to the plough".

Conservative conferences are usually unwilling to criticise Conservative Governments; but this particular resolution went very close to criticism. It derived particular force from the fact that it was moved by a delegate from the Prime Minister's own constituency of Bewdley. Whatever else Lloyd George had done, he had certainly made supporters both of the Government and of the official Opposition acutely conscious that their parties were in urgent need of a rural land programme.

Not least of the altercations were those produced within the Liberal Party. Recognising the large measure of Liberal opposition to the Green Book, Lloyd George put forward the recommendations with some caution. In a speech at Dumfries shortly after their publication, he declared that "he flung it out as a challenge for people to think about. If anybody had a better scheme, let him think it out and just as fearlessly apply it".⁸

This reticence, however, did not stop Lloyd George establishing an organisation called the Land and Nation League, and launching a great campaign, which planned to hold no fewer than 10,000 public meetings of various sizes during the following winter.⁹ Lloyd George's Liberal enemies tried to persuade Asquith (now Lord Oxford) to condemn the campaign, but he refused to do so.¹⁰

A few weeks after the publication of the Green Book, the Liberal Land Committee's urban report — *Towns and the Land* — appeared. In sharp contrast with the Green Book, this new production (generally known as the "Brown Book") laid great emphasis on site value rating. It also advocated town planning, regional co-ordination and leasehold reform, with provisions for enfranchisement. The Brown Book caused a good deal less furore among Liberals than did the Green Book. Runciman, for example, who had just made a speech sharply critical of the rural proposals, indicated his strong approval of the urban report.¹¹

Was it possible to reconcile the various attitudes on land questions which existed within the Liberal Party? The real issue lay between the line of opinion represented by the Green Book and that of the land value taxers. The point which both groups seem to have missed is that they were really trying to deal with two different problems. The Green Book attempted to meet the current difficulty of an apparent agricultural recession in an immediate and empirical manner. The land-taxers were anxious to ensure that a principle which they considered to be of universal validity should not be lost in the process. The real "inwardness" of the trouble was that many of the land-taxers were personally inimical to Lloyd George, and suspicious of everything he did; while he doubtless regarded the land-taxers as economic dogmatists who were out of touch with current problems. A very friendly obituary of R. L. Outhwaite, written a few years later, confessed that he "forgot the dole";¹² and the same could be said of many of his land taxing associates. One of the most

deplorable side-effects of the Liberal schism during the Coalition period had been that very few people were in any position to serve as "interpreters" between the Liberal groups, or to facilitate a solution which would really reconcile their objectives.

At Lord Oxford's request, a special conference of Liberals was summoned for February 1926. The urban land question proved tractable. Site value rating was generally accepted, and set at the head of the policies adopted. The rather ingenious rating compromise which had been evolved shortly before the war, and echoed in some pronouncements during the first few years of peace, was quietly jettisoned.

The task of setting the rural proposals into a form which most of the Party could accept was largely achieved by Sir John Simon.¹³ The original "cultivating tenure" recommendations were heavily diluted. County Agricultural Committees would be established, with compulsory powers to take over land which was badly farmed. Land might also be surrendered to these Committees in lieu of death duties. Smallholdings would be encouraged, and the agricultural worker would be entitled to his half acre. A paragraph was inserted which the land-taxers could reasonably interpret as the advocacy of rural site value rating, but which those who favoured the Green Book could equally reasonably ignore.

Neither the land-taxers nor the supporters of the Lloyd George recommendations could claim anything like a complete victory; but neither body was so seriously aggrieved that it could no longer remain within the Liberal Party. On the other hand, a few Liberal defections were inevitable. Sir Alfred Mond favoured "peasant-proprietorship"; this was equally unacceptable to both major groups, and he departed to join the Conservatives. Hilton Young, a former MP of some prominence, went in the same direction for rather different reasons.¹⁴ At least one well-known Liberal MP, David Davies, was seriously disturbed by the policy, and although he remained within the party this led to his eventual withdrawal from active politics.¹⁵

Later in 1926, a series of new disputes arose over the Liberal Party's attitude to the General Strike; and as a result of these troubles Lord Oxford resigned the leadership. Lloyd George seized effective control, and proceeded to pour vast sums of money into the organisation. It is noteworthy, however, that he did not attempt to upset the Land Conference compromise, and

his Land and Nation League operated in a manner which did not conflict with the official views of the party. The League, indeed, seems to have played a very large part in several spectacular and highly successful Liberal by-election campaigns.¹⁶

Another land policy — leasehold enfranchisement — received an important fillip from the Lloyd George proposals. In this case, actual legislation resulted. Lloyd George set up a "front" organisation called the Leasehold Reform Association. The Association's history was not an entirely happy one,¹⁷ but early in 1927 the Government was stirred into action, and proposed its own Landlord and Tenant Bill. This would compensate tenants of business premises for improvements they had made and for the goodwill of their businesses, when their leases fell in. More contentious was the Government's provision that the tenant should be authorised to apply to a tribunal for grant of a new lease if he so desired. On that matter, trouble came from the Government's own supporters. The revolt was sufficiently serious for the Home Secretary to raise the matter in the Cabinet; but the Government dealt toughly with its own intransigent followers,¹⁸ and secured the passage of the Bill in the form desired.

It would also seem likely that the Liberal land recommendations spurred the Government to bring forward the Smallholdings and Allotments Bill of 1926. The Bill proposed that County Councils should be required to provide smallholdings where a demand existed and provision could be made without financial loss; while in cases where a loss was anticipated, prior assent of the Ministry of Agriculture would be needed, and a Government grant of up to 75 per cent of the anticipated loss could be made. The measure was criticised from several angles, but the most serious objection was the small scale of the anticipated operation. According to the Minister of Agriculture himself, the number of anticipated new tenancies was in the region of 2,000 a year. As Lloyd George pointed out, this would hardly meet a situation where 700,000 farm labourers had no land of their own. The Bill, however, was able to pass in an essentially unaltered condition.

Not only the Government but also the Labour Opposition was impelled to take action. In the late summer of 1926, the proposals of the Labour Party Committee on Land and Agriculture eventually appeared. Land would be nationalised by vesting the freehold in the State; while landlords would be compensated by the issue of Land Bonds. Tenants would come under control of

County Agricultural Committees, who would make all provisions for long-term land improvements. Special Boards would fix the farm workers' wages, while public authorities would deal with rural housing. Although this policy required a much more detailed control over the tenant farmer than did the Green Book, there was a noticeable similarity of approach between the two documents. As in the Liberal Party, the land-taxers fought strenuously against the proposals. Land-taxing MPs, like Josiah Wedgwood and Andrew MacLaren, were conspicuous in the struggle; but, unlike their opposite numbers in the Liberal Party, they were not able to exert any noticeable effect on the eventual policies produced. The Labour Party, like the Liberal Party, was much more willing to support land-taxing in urban areas, and in April 1929 MacDonald promised that a Labour Chancellor would tax land values.¹⁹

The most famous of all the Lloyd George reports, the "Yellow Book", *Britain's Industrial Future*, appeared at the beginning of 1928, and was soon adopted by a Liberal Conference. As the title suggests, its principal concern was with industry rather than land, but in one important respect it bore upon land problems. A programme of large-scale road-building would be undertaken, both in order to meet obvious needs and in relief of unemployment. This programme would be financed partly out of the Road Fund and partly from "betterment" taxes on land values, which would assuredly increase as a result of the operations.

As the Conservative Government approached the end of its tenure of office, the electors could be excused for thinking that there was little dispute between the Labour and Liberal Parties over their programmes for dealing with urban land, for absorbing the unemployed in civil engineering works, or the collection for public funds of increased land values which would result therefrom. On those matters at least, the issue between them seemed to be very largely a question of "credibility", or personalities. The Labour Party's election manifesto of 1929 promised a programme of "national development" very similar to that outlined in the Yellow Book, and also declared that: "The Party will deal drastically with the scandal of the appropriation of land values by private landowners. It will take steps to secure for the community the increased value of land which is created by industry and the expenditure of public money."

The General Election of May 1929 resulted in the Labour Party

becoming for the first time the largest Party in the House of Commons, and for the second time the Government of the country, although it had no overall majority. MacDonald was again Premier, and Snowden — whose land-taxing proclivities have already been noted — was again Chancellor of the Exchequer. This time, however, Wedgwood was not included in the Government.

Again, the stage seemed set for a programme of land reform which would win widespread public support. The Government Party had produced its own proposals quite recently. The Liberals, who — in theory at least — held the balance of power, had made the running on land reform for decades. Most, if not all, Labour and Liberal MPs were committed as individuals to some kind of land reform, and many in both Parties were noted enthusiasts. The popular vote of the two land-reforming parties was five millions in excess of the vote for the Conservatives. Perhaps the purists might disagree with certain aspects of the measures which would eventually emerge; but at least everyone could reasonably expect a drastic and far-reaching programme of legislation dealing with the land question.

Notes-11

- 1 R. T. Lang (of Sells Ltd, publishers of *The World's Press*) to J. C. Wedgwood, 23 January 1924. Wedgwood papers.
- 2 C. V. Wedgwood, *The Last of the Radicals* (see bibliog.), pp. 152-53.
- 3 J. C. Wedgwood to C. P. Trevelyan.
- 4 Cabinet Minutes, 29 April 1924. C28(24)1 e and f, and Appendix II.
- 5 Birkenhead made a striking appeal to Wedgwood for support on land-taxing grounds. See Birkenhead to Wedgwood, 13 July 1921. Wedgwood papers.
- 6 See *New Statesman*, 12 December 1925.
- 7 See account of speech in *The Times*, 18 September 1925.
- 8 *The Times*, 13 October 1925.
- 9 Lloyd George to Lord Oxford, 19 November 1925. HHA 34, fos. 241-44.
- 10 "Lord Oxford's approved draft . . .", 21 November 1925. HHA 34, fos. 245-48.
- 11 *South Wales Daily News*, 25 November 1925.
- 12 *Land and Liberty*, 1931, p. 10.

- 13 See Simon to Lloyd George, 12 February 1926. LG(B) G/18/2/2.
- 14 Hilton Young to Lloyd George, with copy of enclosure to Lord Oxford, 19 February 1926. LG(B) G/10/14/21.
- 15 David Davies to Richard Jones (copy), 15 November 1926. LG(B) G/5/13/1.
- 16 *Land News* (which also had a Welsh edition) at one time recorded a circulation of a quarter of a million copies. By the end of 1927, 7,000 speakers were receiving information, and 21 travelling vans were in operation. *Daily Chronicle*, 21 December 1927.
- 17 Establishment of LRA — see *Daily Chronicle*, 16 September 1926; withdrawal of Lloyd George subsidy — see *Manchester Guardian*, 22 March 1928.
- 18 Cabinet Minutes, 29 June 1927. C 37(27)1.
- 19 At the Albert Hall, 27 April 1929.