

## A Noble Failure

TO *Land and Liberty* IN 1949 THE POLITICAL PROSPECT OF THE single tax looked hopeless. The growth of Socialism revealed the “intellectual impasse” into which the Labour Party had fallen after the land-tax repeal. But, a commentator remarked, “the Conservative Party exhibits just as much confusion.”<sup>1</sup> This was a tacit admission by single taxers that the political influence of George had sunk to a new low.

The decline in land reformers elected to Parliament after 1934 tells the story. In 1935 only twenty-nine successful candidates could be described by *Land and Liberty* as “more or less” supporting the land-tax principle. Among these were R. R. Stokes, Herbert Morrison, Clement Attlee, Stafford Cripps, Arthur Greenwood, and Emanuel Shinwell, but only the first three showed any enthusiasm. In the 1945 election no political party mentioned taxation of land values, and only two successful candidates could be claimed by *Land and Liberty* as land-tax men, F. C. R. Douglas and R. R. Stokes.<sup>2</sup>

That the land tax was dead electorally was confirmed in the 1950 election. Single taxers campaigned vigorously. The United Committee for the Taxation of Land Values requested the views of every candidate on the taxation and rating of land values. The three hundred and one answers offered no hope. Labour candidates replied that information was not given to outside groups, but only to electors in constituencies, or “I approve the Party’s policy,” or “Land nationalization answers all your questions.” Conservative answers were uniform and unfavorable. Only Liberals answered favorably.<sup>3</sup>

Efforts after 1935 to introduce land-tax legislation into Parliament were further indications of George's waning influence. After Snowden's 1931 Budget no serious attempts were made to revive a national tax on land values. Instead, land taxers concentrated on promoting schemes for the rating of land values.

Historically, the campaign for a national land tax had originated in the enthusiasm for the rating of land values in Glasgow in 1890. Time and again local authorities had urged Parliament to pass such legislation. After 1918 both local authorities and private members introduced bills into the House providing for some measure of site-value rating.<sup>4</sup> Then, in 1934, the London County Council took the lead in promoting a local land tax.

The L. C. C., long controlled by Conservatives, was captured by the Labour Party in 1934. Immediately, the Georgian land-tax influence expressed itself. Before the year was out, the Council referred to its Finance Committee the following questions: "(1) whether the present rating system is unfair in its incidence and is otherwise unsatisfactory with a result that the Council has been frequently compelled to pay for land required for public purposes a price very disproportionate to the rate contributions with respect to such land, and (2) whether the Council should seek Parliamentary powers to institute a system of rating land values."<sup>5</sup> In June, 1936, the Finance Committee answered "Yes" to both questions, and the Council then passed a resolution setting forth the desirability of a rate on land values. Two years later the L. C. C. reached the heart of the issue in a resolution to promote a private bill on the rating of land values. In February, 1939, the measure, called the London Rating (Site Value) Bill, was brought before the House under the sponsorship of Herbert Morrison. *Land and Liberty* called it "admirably drafted";<sup>6</sup> it provided for a rate of two shillings in the pound of annual site value, and required that the tax be borne by the persons interested in the value of the land, each in proportion to his interest.

With a Conservative majority in the House, odds were heavy against the Bill; in fact, the measure was not even debated. On its introduction, the Speaker ruled that since the Bill "raised questions of public policy of great importance and affects interests of great magnitude, interests which are much more than local, it ought to be introduced as a Public Bill and cannot be allowed to proceed as a Private Bill." A week later, when Herbert Morrison asked leave to introduce the measure as a Public Bill, his request was refused

by a vote of 229 to 135. So perished the last land-tax measure to reach the floor of the House.

What happened after 1945 to the Labour support for the rating of site values? The answer is not that the Labour Party entirely lost its interest in land reform, but that it decided to secure it by other means than the land tax. This method was embodied in the Town and Country Planning Act (1947), of which *Land and Liberty* remarked: "Nothing more arbitrary, more open to abuse, more damaging to building and other development could possibly be conceived."<sup>7</sup> Georgites, from their wilderness, condemned the Act, because it established State control of the use and development of land, and it offered compensation to landlords—two provisions they had always opposed. The main argument for the taxation of land values had been that it would appropriate for the community the land values created by the community. The Town and Country Planning Act purported to accomplish this appropriation of community-created values by means of a development<sup>8</sup> charge; therefore, land taxers were deprived of their main argument.

On May 16, 1946, during the second reading of the Finance Bill, the Chancellor of the Exchequer, Hugh Dalton, replied to requests that the Government consider some means of appropriating by taxation the unearned increment in land. He rejected the proposal for a "national land tax," because the nation lacked sufficient manpower to organize it, but he thought that the suggestion for the rating of land values was "fruitful."<sup>9</sup> He repeated these sentiments at the Annual Conference of the Labour Party in June, 1946.

The Government's attitude on the taxation and rating of land values was clear enough. The Town and Country Planning Act was as far as the Socialists intended to go in the direction of seizing unearned increment in land. But Dalton had promised to consider the rating of site values, a fact of which he was reminded on November 15, 1947, during the debate on the Local Government Act. Accordingly, on November 28 the Minister of Health and Secretary of State for Scotland appointed a Departmental Committee of Enquiry "to consider and report on the practicability and desirability of meeting part of local expenditure by an additional rate on site values, having regard to the provisions of the Town and Country Planning Act."<sup>10</sup> The appointment of the Committee meant that the rating of land values could not be taken up in Parliament until the Committee had made its report. And the instructions to the

Committee forbade them to meddle with the Town and Country Planning Act, certain provisions of which conflicted with the principle of land-value rating or actually obstructed its application. Thus, said single-tax men, the Committee's hands were tied in advance against the possibility of investigating freely and arriving at unprejudiced conclusions.<sup>11</sup>

The Report of the Committee of Enquiry, issued in 1952, proved that any chance of Labour support for the rating of land values no longer existed.

The conclusions reached by a majority of the Committee of Enquiry reflected their disinclination to accept the once-popular arguments in favor of a land tax. They thought that the consequences of a land-value rate would in practice be negligible: The site rate would not stimulate building, bring more land into use, nor produce more than a trickle of revenue.

But the report implied that even had these reasons not led them to reject land-value rating, they would have done so because of the Town and Country Planning Act. Historical arguments in favor of the rating of land values were, they said, no longer "relevant to conditions in Great Britain today" because the 1947 Act had "altered the position by enforcing the claims of the community to the fruits of development of land as far as they can be foreseen." In other words, because unearned increment was now taken by those who created it, a land-values rate was no longer necessary.<sup>12</sup>

To the followers of Henry George, the logic of the majority's rejection of land-value rating was peculiarly frustrating. They had a whole arsenal of arguments in favor of a land tax, but these arguments had been declared irrelevant as long as the Town and Country Planning Act was operative. Their only recourse was to impugn the sincerity of the majority and to execrate the 1947 Act itself. *Land and Liberty* could not "escape the impression that if there had been no Town and Country Planning Act they [the majority] would have made equally good use of their fallacious arguments."<sup>13</sup> The financial provisions of the Act, and "all provisions which bear on them" must be repealed before the cause of the land tax could be revived politically.

In their detestation of the Town and Country Planning Act, single taxers for once found themselves in agreement with Conservatives, on whom they called to "restore the private right to develop land, sweep away those financial provisions, and make the Act a zoning Act pure and simple." If this were done, then the "road will be clear for a wise and just solution of the land prob-

lem, which is by the Taxation and Rating of Land Values.”<sup>14</sup> When the Conservatives returned to power, they swept away the provisions in 1952. But, although this action reopened the whole question of land nationalization for Socialists and the Labour Party, it did not encourage any hope for a land tax. On November 16, 1952, the Conservative Government introduced legislation to abolish, from that date, the development charge payable under the provisions of the Act.<sup>15</sup>

The Labour Party's reaction was vigorous. Lord Silkin, the principal architect of the 1947 Planning Act, pointed out that the problem raised by the repeal of the development charge admitted of only one solution. In 1947 Labour introduced the development charge as a means of circumventing nationalization of land; since the charge was now abolished, “nationalization itself can no longer be ruled out as a possible solution.”<sup>16</sup>

Repeal of the development charge and Lord Silkin's tentative endorsement of nationalization started a Socialist-Labour discussion of the subject which showed that, although land reform was still an issue in Great Britain, it would not be approached along lines advocated by Henry George. According to the prevailing Socialist view, taxation of land values was a sentimental survival from the past, when anti-Socialists, such as Radicals and single taxers, believed that “God gave the land to the people.” George Brown, writing in the *Fabian Journal*, thought that Socialists should “leave the sloganizing and the chase after emotional evocations of things said in the wholly different atmosphere of long ago, and face our problems as they are now.”<sup>17</sup> C. S. Orwin, a well-known agricultural authority, wrote in more circumstantial terms: They are “attempting to revive the cry for a tax, long ago proved unworkable, on land values. This tax on land values is to be based, apparently, upon a figure quite incalculable; namely, the value of sheer land, divested of anything which human activity may have done to add to it.”<sup>18</sup>

Thus, at mid-century, Socialists and Labourites had come to think of George's land tax not merely as unsatisfactory but as a moldy relic of another age. Those Labourites who favored land nationalization were miles away from Georgites in their method for acquiring land. Believing that private property in land was an evil, George had advocated virtual confiscation: “Don't buy the landlords out, tax them out” was his slogan. The mid-century Labourites shied away from such sentiments. They acknowledged that unearned income from land belonged to the State, but they

would go no further in seizing it than the stipulations embodied in the Town and Country Planning Act. For the rights of the landowner, they had the greatest respect. Only the "most intransigent," said Orwin, favor confiscation; "private property in land has received the sanction of Government and nation for generations, and though many now hold it to be a mistake, it is not a crime."<sup>19</sup> At most, British Socialists thought of land nationalization as meaning purchase by the State of all land coming on the market. If this proposal resembled any historical scheme, it was not Henry George's, but that of Wallace's Land Nationalization Society.

It would be easy to conclude that Henry George and his social and economic principles failed in Great Britain, if by failure is meant that neither he nor his followers were able to establish these principles in practice. But at least his was a noble type of failure.

George proposed the virtual nationalization of land *without* compensation to landowners, and not even Socialists, enthusiastic as they were for nationalization, ever seriously considered expropriation of private property. As for Liberals and Conservatives, they differed only in degree, not in kind, in their attitude toward George's proposals. Both parties shrank from nationalization and expropriation, but Liberals not quite so far as Conservatives. After 1890 the cry against unearned increment in land became increasingly loud, and the Liberal Party therefore adopted taxation of land values as a party measure.

In their enthusiasm for this partial vindication of George's principles, single taxers made one obviously overoptimistic assumption and overlooked one glaring fact. The assumption was that the Liberal Party, having adopted the land-tax principle, would ultimately increase the tax to twenty shillings in the pound. There is not the slightest evidence that the Party ever seriously contemplated so complete an acceptance of George's philosophy. The fact which single taxers overlooked was that whenever the Conservative Party was returned to power, it could be counted on to repeal land-tax legislation. To assume that either the Liberal or the Labour Party would continue promoting the land tax under these circumstances was entirely unrealistic. In the long run, both parties were bound to resort to other and less vulnerable means for securing the unearned increment of land for the nation. Henry George played a major role in creating the state of mind which made the amelioration of Britain's social and economic ills a patent necessity, but the difficulties in the way of securing adoption of his tax principle were

insuperable. Short of complete success, his influence did produce two concrete results: it wrote the land tax into the program of both the Liberal and the Labour parties, and it was the immediate cause of the Parliament Bill of 1911.

The word *failure*, then, as applied to the political fortunes of George's land tax in Great Britain, is almost impertinent. The true measure of George is found in the effect of his crusade against suffering in the minds and the hearts of the British people. His great accomplishment was to describe sincerely and eloquently the conditions under which the worker lived, and to convince large numbers of persons that they could help themselves by resolute action. His converts to the belief in the attainability of a happier society were not only the workers who voted for reforms after 1900; they also included the architects of the British social revolution, men like Shaw, MacDonald, Lloyd George, Tom Mann, Snowden, Keir Hardie. Others, like Campbell-Bannerman, Churchill, and Asquith, not converts in an exact sense, were yet compelled by the weight of public opinion—and perhaps by conscience, too—to recognize and to co-operate with the movement which George had done so much to generate. Out of the movement arose British' trades unionism, British Socialism, the Labour Party, and an aroused and aggressive Radical liberalism, all determined to legislate for a better society. If the methods employed to do this were not those approved by George and his disciples, the objective was the same as that described in *Progress and Poverty*. George had helped start a new society, though neither he nor his followers were able to lead it.

## NOTES TO CHAPTER 14

1. "Political Confusion," *Land and Liberty*, April–May, 1941.
2. *Land and Liberty*, July–August, 1945.
3. "How the Candidates Replied," *Land and Liberty*, March, 1950.
4. Land Enquiry Committee, *The Rating of Site Values*. London: Her Majesty's Stationery Office, 1952, p. 21.
5. *Ibid.*, p. 32.
6. A. W. Madsen, *Land Value Taxation in Great Britain*. London: International Union for Land Value Taxation and Free Trade, 1952, p. 11.
7. *Ibid.*, p. 16.
8. "Development," as the word is used in the Town and Country Planning Act, means "the carrying out of building, engineering, mining, or other operations, in, on, over, or under land, or the making of any material change in the use of any buildings." The development charge was the difference between the value of the land before permission to develop

was given, and after development had taken place, the sum being paid to the Government through the Central Land Board.

9. *Land and Liberty*, June, 1946.
10. Land Enquiry Committee, *op. cit.*, p. 4.
11. Madsen, *op. cit.*, p. 15.
12. Land Enquiry Committee, *op. cit.*, pp. 72-76, gives a summary of the conclusions reached by a majority of the Committee.
13. "Reports of the Land Enquiry Committee," *Land and Liberty*, May-June, 1952.
14. Madsen, *op. cit.*, p. 17.
15. "Land Development Charge Abolished," *London Times*, November 16, 1952.
16. "Lord Silkin on Land Nationalization," *London Times*, November 16, 1952.
17. Michael Foot and George Brown, "Is Land Nationalization Necessary?" *Fabian Journal*, July, 1953.
18. "The National Estate," *New Statesman and Nation*, September 19, 1953.
19. "The National Estate," *op. cit.*