

Queen. There is no discrimination against Coronation souvenirs as such. On the other hand tea strainers incorporating a figure, like nearly all goods designed for use primarily in the storage, preparation, or consumption of food or drink, are exempted from Tax." But as we have seen this does not apply to canteens of fish-eaters!

Dozens of similar absurdities have been reported but that which has attracted the most unfavourable press comments is the tax which is levied when a small crown is added to the propelling pencils which many local councils plan to give as souvenirs to school children. The crown itself will cost less than one penny but it lifts such pencils from the category of "stationery or office requisite" into an "article of fancy," increasing the tax from 33½ per cent to 100 per cent. According to the *Scottish Daily Express* "this little embellishment will add 2s. to the price (of a 2s. pencil) when the bill reaches the taxpayer." That taxpayer is the local authority and, in the final instance, the ratepayer, the man who is fined annually according to the size and state of repair of the house he occupies.

During 1951 goods bearing the Festival of Britain emblem were placed in a special category for purchase tax purposes. Manufacturers expected a

similar dispensation this year for the Coronation. They went ahead with new designs, tooled up their factories and went into production. Now hundreds of home orders are being cancelled. This in turn will increase prices for export souvenirs, and may be expected to result in further cancellations.

The irony of the situation is that protectionists in Parliament last summer (as *LAND & LIBERTY* reported in July) secured for home producers a monopoly in the manufacture of Coronation souvenirs for the home market. Industrialists are now tasting the bitter fruits of Government interference—even German and Japanese competition would have been better than this!—while the poor, tax-haunted consumer, the ordinary citizen who had hoped to be able to enjoy the Coronation celebrations, will have to draw his belt in a notch to be able to pay 100 per cent purchase tax on his British made souvenirs.

It has been possible in this article to focus attention on only a few of the complaints about the purchase tax published in the course of a three-week period. The hotel, textiles, light clothing and furniture industries, local chambers of commerce, trade associations, individual manufacturers and consumers swelled the chorus calling for repeal or considerable reduction of this pernicious tax.

P. R. S.

THE CASE AGAINST LAND NATIONALISATION*

By Rt. Hon. R. R. Stokes, M.P., Minister of Materials in the last Labour Government

As one of those whom *Tribune* has asked to contribute to the "Labour Next Time" series, I cannot do better than set out what I would strive for if I were on the Executive. In a short article it is impossible to cover the whole programme, so I propose only to tackle the main question—the land.

Everything we do to improve the social order, every increase in production, puts up the value of land. Unless we tackle the land question first, we shall create a growing obstruction to our own efforts by having to pay ever-increasing rents to the landlords. The longer the delay, the more we shall have to pay each time before we can get on with the next move. Meanwhile, we pour more and more wealth into the pockets of the landlords.

We talk loosely about nationalising the land, but do those who do so really understand what they mean or what would be involved? For instance, it would be crazy to pay the landlords for something which the community created and which the landlords did not. "Buying out the robbers" is what I called it in the recent debate on the Town and Country Planning Bill. There is all the difference in the world between compensating owners of created wealth, when for example nationalising the railways, and compensating the landlords for land values which the community created.

There are three accepted ways of dealing with the problem—confiscation, nationalisation and taxation.

It is quite certain that few in a free country would agree to confiscation, so that is out. Yet compensation would mean paying so much out that the national debt would be doubled at one stroke.

The land value of this country has never been assessed, but a comprehensive valuation made in New Zealand in the early part of this century worked out at nearly £200 per head of population. No one will argue that land in Great Britain is of less value per head than land in New Zealand, so we get a figure at to-day's depreciated value of the pound of not less than £20,000 million—probably a great deal more.

Suppose we paid that large sum, nearly equal to the National Debt, to get back what we have ourselves created—what then? We should then have to set about acquiring many of the capital assets on the land, which would run us into figures even more astronomical.

We should find ourselves in as stupid a position as we did over the coal mines, only many times worse off. We then let a Tory Government nationalise the coal in the ground and paid the royalty owners between £60 million and £100 million for their rights—not for getting the coal out of the ground, but simply for their ownership—and then we had to nationalise the collieries in order to acquire the machinery whereby the coal could be got!

In paying the royalty owners we hung a millstone of about £4 million a year round the neck of the community and created a perpetual loss to the Treasury of £8 million a year. If we adopt the same policy with land, the millstone will not be £4 million a year, but £1,000 million! *Who wants that?*

The third alternative is to tax and rate site values, compelling the owners to pay a tax on the value of each piece of land whether they use it or not. By this method we would stimulate the use of land, making it unprofitable to keep good land idle or any land improperly used.

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I say rating as well as taxation, so that local authorities may raise their much-needed revenues by this means. Nearly 300 local authorities have already applied for permission to do so, but it has never been granted.

Rating of site values has been done with startling effect in Sydney, New South Wales, where the municipal authority raises the whole of its rates on site values and every house has air and sun all round it; in Johannesburg, where they do likewise, and are now busy tearing down old buildings which are uneconomic on high value sites and replacing with modern dwellings; and in Denmark, where every acre of agricultural land is used to the best advantage.

If we now adopt the same policy we shall not only recover by taxation for the benefit of the people the

land values which they themselves created, without paying out enormous sums in compensation. We shall also be able to relieve the rates on dwelling houses, cut down the rents on council houses and above all stimulate the best use of all agricultural land right down to the marginal land.

And this will be done without pouring subsidies, intended to help the marginal farmer, into the pockets of farmers who have very good land and who—in many cases because of the subsidies—do not use the land to the best advantage.

So taxation and rating of site values should be No. 1 in the party programme. Every candidate in marginal constituencies should realise how much it would swell his vote!

THREE ENGLISH TOWNS

Until about 200 years ago the three towns of Nottingham, Leicester and Stamford, lying fairly close together in the East Midlands developed along very much the same lines. To-day they differ markedly from each other. This explained Mr. W. G. HOSKINS in *The Listener*, September 25, is because each town solved or evaded the problem of expansion in a different way:

“Some 200 to 300 years ago Nottingham was one of the most beautiful towns in England. All travellers agreed about this Three generations later Nottingham had become a squalid mess . . . What had happened? To the north and south of the town, gripping it along three-quarters of its circuit, lay nearly 1,100 acres of open fields, far more than enough land for housing the new industrial population. But until these fields were enclosed, until their multitudinous strips were reallocated in large compact blocks of land, and until the rights of common pasture over them were extinguished, it was impossible to get a single acre for building. The burgesses with pasture rights steadfastly refused to allow the enclosure of the fields. Borough elections were fought on this issue. Candidates who wanted enclosure were burned in effigy, their supporters wheeled about in muck-carts in the robust eighteenth-century fashion. Even the freeholders in the fields—who were willing to have enclosure so that they could farm more efficiently or sell land for building—were helpless in the face of the burgesses who might have no land, but who hoped to get a piece in time, or who already held these rights to graze their cattle and sheep . . .

“Most of the opponents of enclosure at Nottingham were not, therefore, mere villains. They had some good reason on their side. But their refusal to enclose had the effect of creating another class of opponents of a blacker hue—the owners of slum property. The town could not grow outwards. So every garden, every orchard, every foot of open space within the old confines, was doled out piecemeal at exorbitant prices for building. Even streets were too extravagant of space: courts and alleys enabled more houses to be packed into a given area: and where the apple or the cherry orchard had blown in springtime, courts of back-to-back houses now faced each other across an open drain. In some parts there were 800 persons living on one acre of ground: one person to every

six square yards. Even the schools were built in the corners of crowded burial grounds, or over public sewers into which they slowly sank. Rents for these appalling houses—8,000 back-to-backs, rising three storeys with single rooms piled one on top of the other—took a high proportion of a working-class income. Nottingham's own historian, Dr. Chambers, reckons that altogether the slum property of the town produced an annual return of £40,000 . . .

“At Leicester, twenty miles away, with much the same kind of industrial and population history, things happened quite differently. Here the three open fields which practically surrounded the ancient town had all been enclosed before the need for more building land had become desperate. One great field, lying to the east and north-east of the town, had been enclosed in 1764—in good time for the population-increase—and the town proceeded to grow comfortably in that direction. There was almost unlimited space for Leicester to expand; and in 1845 the commissioners were able to report that the town ‘was spread over an unusual extent of ground in proportion to its population.’ Many large gardens were still to be seen, even in the centre of the town. The newer streets were wider than the average of manufacturing towns. The wind would blow through them and the sun shine upon them, unlike the courts of Nottingham. The working-class houses seldom rose above two storeys. Moreover, these houses had four rooms, and each room was bigger than its Nottingham counterpart; and there was rarely more than one family per house. They generally had ample yards, often little gardens, and were better built than those of most industrial towns.

“Stamford presented quite another case again. The open fields hemmed in the town along its entire northern side, while on the southern side Burghley Park and the farmlands of the Cecils offered not an acre for expansion . . . The borough of Stamford returned two Members to Parliament, the franchise being restricted to householders. Since the end of the seventeenth century the Cecils, at Burghley House just outside the town, had controlled the election of both members by a combination of methods that seemed to leave no loophole for a mistake. There was, indeed, one possible loophole. Squatters on the waste of the manor, at the fringe of the open fields,