

facts tell a different story. Certainly, the land problem in the South is not, at present, being solved by affording land to the landless or by securing the tenure of working farm families; on the contrary, the "land monopoly" bogey is become more formidable. The 1954 Census of Agriculture reported that farms of 1,000 acres or over, though comprising only 2.7 per cent of all Census-farms, marketed nearly a fourth of all the cotton sold in the U.S. Moreover, the effect of the Administration's sharp cutbacks in cotton acreage (over a third of the government's cotton allotments are less than 5 acres) has been to strengthen their monopoly position, while speeding up the displacement of the family-size and small farmers, sharecroppers and agricultural workers. Finally, it must be noted that, while the Southern plantations have mechanised at a breathtaking rate, semi-feudal relations have not been wiped out, Negro-white wage differentials in industry have actually widened and the Negro people have not yet won their long fight for equal rights even though their will to win is now at a crusading high.

**BOOK  
REVIEW**

*AMERICA AS A CIVILISATION: Life and Thought in the United States Today.* By Max Lerner. Simon and Schuster, New York. 1056 pp. \$10.

BY HARLAN TROTT

"MONUMENTAL" is the standard word for book reviewers in describing the epic scope of such a profound study as that carved out by Professor Lerner in more than a decade of earnest search and thought.

No less earnestly, we recommend it to those who are trying to assess the confusion that grips American leadership today. In this masterpiece of high intellectual searching, the Professor of American Civilisation at Brandeis University holds the microscope up to a nation at mid-century that is floundering in the problems aggravated and intensified in the aftermath to the Second World War. For it is helpful for all Americans to see ourselves as Dr. Lerner sees us.

Here are the crucial questions men ask about America. What are its traditions and antecedents? How do the people make a living, govern themselves, handle the inevitable problems of power and freedom? How are they divided into ethnic and class groupings? What are they like in their deep and enduring strains? How do they work, play, express their creativeness in art and literature? What principles hold their civilisation together? What gods do they bow down to, what beliefs give them strength, what dreams and fears move them? What, in short, is it that makes America a civilisation?

In analysing American life, the author jostles sacred cows, scorns some of our outworn stereotypes and strips away the myths and fallacies about our heritage, our traditions and our performance. Nor does he hesitate to grapple with our overpowering bigness, a field in which he is fortified by the traditions implicit in the young university he serves.

April, 1958

Louis Brandeis was a great and humble man. As a Supreme Court Justice, and before that as a Massachusetts lawyer, he worked and warned against "bigness" in the corporate life of the nation. The reforms he put across to bypass the hold of the insurance companies in New England, Brandeis carried with him in his mind up to the Supreme Court bench.

"If God had intended us to have anything as large as the United States Steel Corporation," said Justice Brandeis in one of his famous dissents from the bench, "He would have given us the brains to run it well." He was aroused by "the curse of bigness," of the monopoly powers that were casting their ominous shadows across the declining years of small business. It may interest LAND & LIBERTY readers to know that the man for whom Brandeis University was named was also a Henry George man.

Dr. Lerner's keen perception projects some of the Brandeis' views into today's industrial bigness. Our Federal archives will support his restrained opinion that by "the very fact of their bigness," corporations may achieve "a strategic power that sometimes makes it unnecessary for them to pursue efficiencies which can cut costs." And that "they become tired and unwilling to take risks, and in some cases grow backward in their response to technological change."

This is sound and discreet reflection, indeed, upon disclosures such as T. K. Quinn, one-time vice-president of the General Electric Company, sets forth in his *Giant Corporations: Challenge to Freedom*.

Here, Dr. Lerner presents a useful starting point for current American assessments of the backwardness of monopoly power in the present drive to match Soviet achievements in the conquest of space.

It is in the realm of fundamental motivations that we would venture to challenge Dr. Lerner's analysis of the American civilisation. It is here, we feel, that Professor Lerner is himself floundering. Specifically in the question he poses as to whether there is some single organising principle in our civilisation pattern, as he puts it, "some key that unlocks all the doors."

This is the question, he says, that has haunted Western thinkers—the dream of finding the single factor that shapes all else in its image. "It might be Hegel or Spencer, Marx or Sorel, Spengler, Freud or Jung, Veblen, Henry George, Brooks Adams or Henry Adams, but it is always a form of cabala."

Here the learned professor drives us to our dictionary. He is always doing this, even in his newspaper columns. That word "cabala." Meaning occultism. Only one respectable backward pace from black magic!

"I can offer the reader no single talisman to the secret of American civilisation," says the author with a show of humility that is in the Brandeis tradition.

Have we no star to steer by? Have we never had? Dr. Lerner cites the great historian, Dr. Charles Beard, in several places. Surely Beard saw that star. And millions of other Americans must have glimpsed it long before

the words "Equal Justice Under Law" were carved over the portals of the temple of justice Brandeis graced with such clear-headed compassion.

Unwittingly, we believe, Professor Lerner has fallen into a pitfall not unlike that dug by many Marxist intellectuals in his assessment of Henry George.

He cites Vernon L. Parrington's brilliant tracing of the *Main Currents in American Thought*—Parrington who called Henry George, America's "most original economist." But neither Beard's, nor Brandeis', nor Parrington's thoughtful evaluations have restrained Dr. Lerner from lumping Henry George in the miscellany of "cantankerous intellectual movements" which "spent their energies in isolated radical episodes."

Supporters of Henry George schools the world over may derive small comfort from having him linked with IWW Wobblies. And they may wonder at what almost appears to be a pattern in the spate of current attacks on Henry George, the only slightly less recent being Gerald

Johnson's handling of Henry George in his book on *The Lunatic Fringe*. If two such samples may be said to represent a pattern, the similarity is interesting. For in each instance—here in Dr. Lerner's valuable book, and in Gov. Adlai Stevenson's review in the *New Republic* of the Johnson book—it is George who is yanked out of the line and made to serve as "the symbol" of all the rest.

In such instances, too, one is apt to find a backtracking finale such as Dr. Lerner's comment that "despite the failure of the Single Tax Movement," it did have "some effect" by "liberating the social imagination."

Nevertheless, while his opinions of Henry George may make some squirm, readers of *LAND & LIBERTY* should not be dissuaded from weighing Dr. Lerner's profound and useful book. He is not the first earnest scholar to reveal the truth of Tolstoy's dictum, "people do not argue with the teaching of Henry George; they simply do not understand it."

## Sales Tax in Theory and Practice Some American and Canadian Views\*

### TRADE UNION OPINION

"The American Federation of Labour has consistently opposed Sales Tax legislation because it represents an attempt to transfer the burden of taxation from wealth and from those who are able to bear it, to the masses of the people and to those who are least able to bear the burden of taxation. The Executive Council regard this form of Taxation as a movement to 'soak the poor' . . . —Mr. William Green on behalf of the *American Federation of Labour*.

"Whereas, the ever increasing burden of indirect taxation is lowering the standards of living of the workers of this country; and whereas, the carrying of unnecessary taxes by the workers of Canada should be alleviated by all possible means by the Federal Government; and whereas, the imposition of the sales tax directly reduces the buying power of the masses of workers and their families and should be abolished immediately. Therefore, be it resolved, that this 54th Convention respectfully and earnestly petition the Federal Government to abolish the Sales Tax."—*Canadian Trades and Labour Congress*, Dominion Convention, Niagara Falls, September, 1938.

### DENOUNCED BY ECONOMISTS

"A sales tax is governmental blackmail on hunger and small earned incomes."—*Prof. John Dewey*, world-famous educator, Professor of Philosophy, Columbia University.

"The sales tax . . . is one more attempt to put the whole burden of taxes on the poor. It violates every canon of taxation accepted in the civilised world for 150 years."—*John H. Gray*, American University, former President, American Economic Association.

"A general sales tax reduces real wages, diminishes purchasing power, and puts a brake upon industrial activity and business revival."—*From resolution signed by 101 economists representing 17 Universities in the U.S.*

"The sales tax sins against the cardinal principle of equality in taxation."—*Prof. E. R. A. Seligman*, Columbia University.

### MANUFACTURERS' OPPOSITION

"The manufacturer pays a sales tax of 8 per cent on everything which he purchases for the construction, equipment and operation of his factory, on advertising, on office supplies, and on machinery, patterns, dies, tools, etc., and on many articles and materials used up or consumed in the manufacturing processes. If in an endeavour to reduce his operating costs he builds or repairs machinery or other equipment including patterns, tools, dies, etc., the taxing authorities levy a tax on all such goods made for his own use. The manufacturer, to earn a profit, must necessarily include all his costs in the price at which he sells his goods. It consequently follows that all the taxes paid by him and the additional expense incurred through his being a tax collector for the government, are reflected in the price at which his output is sold. As the tax is payable on his selling price, the result is the manufacturer is paying a tax on a tax.

"The manufacturer is put to additional expense by reason of the fact that he is a tax-collector for the Government, as in many organisations the cost of this service for the Government is quite heavy, requiring additional staff."—*The Canadian Manufacturers' Association Inc.*, extract from memorandum submitted to the Rowell Commission on Taxation.

\* Reprinted from *LAND & LIBERTY*, June, 1940.

# TYRANNY OF TAXATION

By FRANK BOYCE

ABOUT seven years ago, I stood upon a plot of land fronting a principal road through a town just outside London. It was a legacy to a brother, two sisters and myself. I was telling the Estate Agent and Valuer by my side what we intended doing with the site.

"If you do that," he answered sadly, "you will have to pay something like £X,000 to the Government."

"For what?" I asked, mentally staggering back a pace.

He explained to me the Development Charge of the *Town and Country Planning Act, 1947* and I could hardly believe my ears.

"Do you mean?" I gasped, "that we should be fined and punished for making this bleak spot decent and for providing the accommodation that is so badly needed just now?"

He nodded.

"Surely that charge stops development right, left and centre? It's crazy!"

He assured me that it had to be paid, mad as it appeared.

Afterwards doubts assailed me, even to the extent of remorse. Who was I, a journalist and writer in an entirely different field and abysmally ignorant of economics, to question the great minds at Westminster and those which guided them? There must be, I thought, a very good reason for levying such a charge in order to stop expansion. Trouble was I just didn't know anything about that side of life! With reluctance on the part of half the family we sold the whole plot with the old buildings upon it, and I decided to remedy my ignorance by learning something of economics.

I made a poor start by studying from a well-known school and University text book. I found that I was learning about the *mechanics* of our present system—demand, supply, prices, markets, production, division of labour, banking, insurance and the like. Skimming over this quickly to get an idea of the machinery, I started again from another angle—that dealing with men and women working together in a community from the beginning of social life. This was illuminating.

Two or three years of this in spare time and I struck Henry George's writing. Everything clicked into place; the crooked places became straight.

But having the writer's temperament, and having struck something good and new to me, I was bursting out all over with the news. When asked to say a few words at odd meetings I tried out the subject of the single tax, even in Esperanto on one occasion. I was amazed at the interest shown in this "new" idea.

During this time, on different occasions, I met four B.Sc.s.(Econ.). Two of them admitted to having heard of the taxation of site values but knew nothing of the details, the other two had never heard of it.

Still bursting with the news and wondering why our national and sensational journalists could not see that our present drift towards totalitarianism and an inflation, which under our present fiscal system, must continue as inevitably as death, I started writing letters to the newspapers. Only a few were published and often the cuts made shifted the point or entirely altered the sense.

I determined, therefore, to drop temporarily my other spare time writing work, and produce a book about it. A book a layman could read easily and understand. Several visits to the late Mr. A. W. Madsen and research in libraries and photograph agencies filled in gaps in my notes. The book was written and, on the suggestion of a journalist colleague who read the MS, it is called *Tyranny of Taxation*.

The Preface is a concise factual background of our life on this planet. It deals with the space ship Earth as it was and is today showing that its surface is relatively smoother than an orange, that though millions of people have passed this way before us, the surface has hardly been scratched. There is enough for everybody and to spare. The Earth is but sparsely populated with its 2,500 million and there is evidence to prove that it would easily support 10,000 million if man would only adjust his economic life to work in harmony with nature as scientists and technicians do in developing the use of scientific discoveries.

The book proper then takes the form of a *concerto* in three movements. I am the soloist backed by an orchestra of the speeches of famous men and economic facts.

The opening movement (Chapters I and II) deals with taxation today with extracts from newspapers and magazines reporting what people "from the rich man in his castle to the poor man at the gate" have said about taxation, including many captains of industry, and its effect on everything from the stately homes of England down to the life of a labourer in a factory. It deals with the punishment meted out to those who produce for the benefit of themselves, their families, the community, the nation and the world. It covers, in its stride, how taxation on effort has increased crime, extended the grip of the football pools, has stopped thrift and even been the cause of the upsurge of "do-it-yourself." This first movement ends with a consideration of what would happen if men were not taxed on the earnings of head and hand and the products thereof.

Chapter III begins the second movement of the *concerto* dealing first with a natural phenomenon—something that has happened since the beginning of time where men and women have gathered together to live and work in a community.

It shows a sketch of a farmer's large field in the green belt outside a large town and what happens to the land when the authorities decide to build a road across it forming part of a by-pass motor road. It shows what happens when Green Line coaches and buses are routed along the new road; when the first enterprising man buys a plot of land fronting the new road to build a garage and petrol station; the effect on the second and third purchaser.

*The land which could once be purchased from the farmer for £100 a plot has now gone up to £500 nearby and £1,000 on the new road front.*

Later, when the several Boards lay electric cables, gas and water mains along the road the plots rise to £2,000—not, as the farmer himself says, because he has sprinkled diamonds or gold dust upon it, but because it is where it is and purchasers are willing to pay the price for it, where it is. It is worth it to them.

Other examples are given from newspaper and Estate Agents' advertisements, and extracts from speeches of famous men on this subject including those of Winston Spencer Churchill.

Chapter IV shows how we can make use of this natural social phenomenon by taxing that land value made by the community releasing men entirely from the payment of all taxes on brain and brawn, ignoring what man does upon the land, what he builds, ignoring his enterprise and industry for they are his own, his just reward, the full fruits of his labour. Extracts from recent copies of *Hansard* reveal what M.P.'s think about it.

Chapter V gives some examples of the working of the tax in domestic, commercial and industrial circumstances and its effects on the owners of property paying that one tax only—on the site value of their land.

Chapter VI deals with objections that are often raised giving the assurance which, as readers of this magazine well know, exists for every doubt, for none can think of a genuine snag in this future system.

Chapter VII, leading into the third movement of the *concerto*, views circumstances of the tax in operation, the rating of site values with extracts from the *New Zealand Valuation of Land Act, 1951*, and efforts made in this country to rate on site values instead of punishing men for improving their property or encouraging them to allow it to dilapidate.

Then follows the *cadenza* by the author showing that, though concealed, our present system of taxation is a mould into which the people are being forced by economic pressure. That totalitarianism can be achieved by taxation as by any other means, but that the adoption of site value rating and taxation will, at last, set men free. Free from every "ism" that makes slaves of a man and his mate.

Appendices, referred to in the text for those who know nothing of economics, complete the book.

In all there are 30,000 words with 15 illustrations consisting of photographs and diagrams, and having finished

the work I realised it had to go out to the people who had never heard of the cure for our economic ills.

It would be foolish, I thought, to offer it to the publishers of this magazine or to any other organisation knowing the scheme. It would merely find a place on the shelves with others of the type preaching to the converted. It should go out as a missionary into the economic jungle.

So *Tyranny of Taxation* started its rounds of the well-known publishers, and here are some comments:

"While we feel it is a most interesting subject and one which you have tackled extremely well, we also, regretfully, do not think that it is a book really suited to our rather small list."

This one is strange:

"It has been suggested that, in general, people are so disturbed by the high rate of taxation in this country that they are unlikely to spend more money on a book which serves only to arouse their wrath further."

Here is evidence that so few people know about the single tax. This is from a very well-known and old-established firm on returning the MS.:

"You have certainly got some very original ideas in it, but it is so unorthodox in my opinion that I find it difficult to advise on the best publisher."

From a large and important firm:

"... and have also had it read by a member of the staff whose special interest is economics.

"We both feel that it is an excellent essay with a good deal in it that is new and valuable. I am afraid my own knowledge of economics does not allow me to follow the full argument, but my more learned colleague assures me that the argument is fairly stated."

Now follows a paragraph that surprises me because in my own field I have always had the reputation of being able to explain a complex technical matter in such a way that the man in the street can understand it. The firm goes on:

"The trouble from our point of view is that it is essentially a book for people with real knowledge of economics, in other words, a specialized book which could not conceivably fit into our list."

From a literary agent:

"... having read it myself, I sought the advice of an economist. The argument, of course, is an extremely interesting one, but I am afraid the book would not have a sufficiently wide sale to be a profitable undertaking for a publisher."

Lastly, from a London firm known all over the world:

"Unfortunately there are at the moment too many books on economics on the market and it is unlikely that a new one would meet with success."

The truth is, of course, that the costs of book production today are so high that a publisher cannot afford to take a risk. He must be convinced that the book will sell well before he will accept it. In this lies the danger deplored in the book itself—that of the drift towards totalitarianism by the mould of taxation for, under our worsening conditions, voices other than the orthodox will at last be unheard. Yet the Treasury, unlike the publishers quoted above, does not believe that books about our plight today will not sell. It recently printed 400,000 booklets entitled *The £ and Our Future*.

As I do not believe it either, the *Tyranny of Taxation* is still on its rounds.

## PEOPLE AND PLACES

**Bexley Borough Council** have informed the N.W. Kent branch of the L.V.T. League that they are not willing to receive a deputation to discuss the levying of rates on the site value of land. Replying, **Mr. Stephen Martin** has written: "We are compelled to express our utmost dissatisfaction with the arbitrary nature of the Council's treatment of the petitioners whose sincerity is ill-matched by that of their democratically elected representatives." The local press gave extensive space to the correspondence between the Town Clerk and the League. Consideration is now being given to what further steps the League should take in the matter. A full programme of other activities is being enthusiastically maintained.

**California.** The recent property revaluation in Los Angeles County brought a shift in taxes of \$19,926,269 from land to improvements and personal property. This shift was largely the result of a blanket increase of 10 to 20 per cent in the valuation of improvements, with only scattered increases in the assessed value of land. (In the San Gabriel and San Fernando Valleys there were some drastic, though perhaps realistic revaluations of land, reflecting the tremendous boom in land prices in those areas.) The tax shift cited above is a further indication of the growing tendency to shift the burden of taxation away from land.—February. *Henry George Herald*, 577 N. Vermont Ave., Los Angeles 4.

**Derby.** Alderman C. R. Bates, chairman of the Audit and Finance Committee [of Derby Town Council] said that he could not understand the mentality of the individual who disagreed with the taxation of land values as an alternative to the present rating system.—From report on the Council's rate-fixing meeting in *Derby Evening Telegraph*, March 6.

**"Amazing" London Land Values.** From George McCarthy's city column in the *Labour Daily Herald* of March 18 we take these extracts: "Today I report on the eye-brow-raising rent charged for commercial premises along the golden pavements of London's West End. Have a look, for instance, at *Devonshire House*, Piccadilly, once the ducal centre of the most exclusive social and political sets of all the fashionable world. It is now tenanted by The Distillers Company who pay a rent of £147,500 a year, exclusive of rates, taxes and outgoings. It is owned by a company called the Land Securities Investment Trust which is led by that property king, Mr. Harold Samuel. The company has a 993-year lease on the ground on which the new Devonshire

House is built. And it pays in ground rent the astonishing sum of £47,500 a year. Now that's money.

Move westward and be amazed again. The company pays a ground rent of £100,000 a year for property in *Knightsbridge*. On this site there is rising a great office block which has been sub-leased to the Bowater Paper Corporation for 42 years. What rent will Bowater pay? No less than £335,000 a year. The facts emerge from a document Mr. Samuel issues today because he is offering for sale £3.5 million mortgage Debenture stock. It costs £96 10s. for every £100 and will pay 6 per cent interest. First security on the loan are the two properties I have described. And good security they are too.

*But it really is time that some mocking Socialist pointed out that the golden pavements are valuable only, or at least largely because so many people walk along them.—Herald's italics.* Cutting sent by C. W. J. Morley.

**J. Rupert Mason** writes: "The *California Law Review*, December, 1957, at page 667 reports: 'It is certain that both in area and in accomplishment the Irrigation Districts of this State dominate... The legal formula [of taxation] for these organisations was of infinitely greater value to California than the discovery of gold... The whole number is devoted to water and power issues. It is a mine of legal, economic and engineering reference material, invaluable to lawyers and engineers. The *Review* is published by the University of California, Berkeley, at \$2."

**N.W. Kent** branch of the Land-Value Taxation League have protested against the application for increased tariff duties on lettuce and endive. [*L&L, March, p.37*] In a letter to the B.O.T. signed by **Stephen Martin**, branch chairman, the League assert that the singular concentration on the interests of the producer to the almost complete exclusion of those of the consumer running throughout the application must inevitably disadvantage the producer. The League rejects the applicants' theory that a protective tariff is necessary during a mild season and an abundant crop. It contends that interference with supply and demand by tariff manipulation must falsify market prices and lead to either a shortage or a surplus, to the detriment of producer and consumer. At a time when the rising cost of living is causing so much concern, the application is particularly inappropriate. Expressing sympathy with the applicants' difficulty in meeting increased production costs, the League points out

that farmers are not alone in this respect. Any relief granted by way of increased tariff protection would be at the expense of other sections of the community.

**K. J. Philipsen** left London last month to take up an appointment in Denmark. We shall miss him. During recent months he has given generously of his very limited leisure to translate articles from *Vejen Frem* and other Danish material. A member of the Justice Party, he hopes to resume political activities when he and his English wife and their child are settled. When taking his leave, he showed us documents relating to the high cost of getting freight unloaded in London's nationalised docks and through the Customs. The Danish steamship company had charged £6 12s. 0d. to load twenty packages of household effects and to carry them from Copenhagen to London. The P.L.A. charged him £7 3s. 7d. to take them off the boat and into a warehouse on the quayside. The Customs demanded a further £2 4s. 0d. For loading, transporting to Leytonstone, and unloading, a road haulage firm charged £2 10s. The figures point an obvious moral.

**Portsmouth.** An important industrial site, 4.106 acres, on the main south coast trunk road, said to be ripe for development is offered at £16,500 freehold. There is no suggestion that the present owner "ripened" the site or built the trunk road.

**Southampton.** A valuable ripe building estate of about 46½ acres in the County Borough of Southampton, forming part of Lower Townhill Farm was sold at auction last month for £64,000. Planning permission has been granted for residential development at a density not exceeding 12 houses or bungalows to the acre. Good farm land "lost", some will say. Thousands of pounds of public revenue misappropriated, is our view. Year after year Southampton ratepayers have paid damaging local taxes on their factories, offices, shops and homes while this land has (presumably) been rate-exempt. When the new houses mushroom up, a pall of wrongful national and local taxation will blanket the area.

**Washington, D.C.** A proposal that land-value taxation be considered as a "Treatment of Natural Resources" was presented on February 7 before a Committee on Ways and Means in the House of Representatives by **Sydney Kass**, a student of the Henry George School in New York. Mr. Kass contended that this tax would yield adequate revenue without discouraging private enterprise or unduly burdening the taxpayer." Brief excerpts from the presentation were published in the *Henry George News*, N.Y.

# LETTERS TO THE EDITOR

## A Wrong for A Wrong

In your March issue I am stated as having voted for Captain Corfield's bill in a division on February 24th last. I have examined the Official Record [*Hansard*] and find that I am recorded as you have stated as having voted in the "aye" lobby. This is an error which had escaped my notice as I am wholly opposed to the bill, and being amongst those who abstained from voting in that division. The entry is obviously meant for Mr. J. W. W. Peyton, the Member for Yeovil, who voted in the division immediately preceding.

House of Commons. JOHN PATON.

CAPTAIN F. V. CORFIELD, M.P., writes : "I have read the editorial on my Bill with interest, but I am bound to say that I think the comments taken together with the heading form almost a classic example of a *non sequitor*! Perhaps you will let me know whether you would care to publish a detailed reply."

*Captain Corfield has been offered space in our May issue.*

## No Redress for Evicted Farmers

The Minister of Agriculture is stamping around the country roundly condemning dispossession and "throwing people out of farms" as abhorrent and immoral. Yet in his new Agriculture Bill he is doing nothing to try to make good the injustices done through dispossessions by his predecessors.

Dispossessed owner-occupiers suffered terribly, because at the time of the acutest housing shortage they were evicted from their houses; and they were not allowed to sell their farms so as to recover their capital and use it to buy a house or gain a livelihood. Instead, the Minister compulsorily relet their farms to his own nominee, and at the same time forced the owner to pay in cash for any dilapidations there might be, which bill usually amounted to several years' rent.

Eventually such a storm was caused by the eviction of Lady Garbett that the Minister did not dare to relet her farm, nor claim the heavy dilapidations that would have been due from her, and she was allowed to sell it with vacant possession. Thus she obtained the full value of the farm, and suffered no financial hardship.

If the new Agriculture Bill becomes law the dispossessed owner-occupiers will be deemed to have granted, even against their wishes, a virtually irrevocable tenancy to the Minister's chosen tenant. So the wrongs done to them will never be righted, and the leniency shown to Lady Garbett is not going to be repeated.

Surely the Minister cannot expect the public indignation which compelled the Government to abandon dispossessions in 1955 to have cooled down altogether. Or does he hope his failure to remedy these admitted gross injustices will pass unnoticed?

Salisbury.

RICHARD LAMB.

## A Georgeist Antarctica?

MR. OLE WANG writes (Feb. 13) from Norway: "No doubt you have seen press reports recently about plans for the international control of the Antarctic regions. They are said to be sponsored by the British government following Mr. Macmillan's visit to Australia and New Zealand. The stated object is to prevent Antarctica from being used for military purposes, but would not this involve the abandonment of sovereignties also as regards the utilisation of natural resources? I think our principles might be advertised in this connection, as well as in the question of the high seas which is shortly to come up at a U.N. conference. Curiously enough, in a certain sense the oceans may said to be land."

## E. M. Ginders

MR. GEORGE MUSSON, of Codnor, Derbys., writes: "I was very sorry to learn of Mr. Ginders' death. He was a widely read, well-educated man. I remember how, before the First World War, we in Manchester used to meet to discuss *Progress and Poverty*, chapter by chapter, each man taking it in turn to study a section and open the discussion. With such men as David Catterall, Dr. McDougall, Arthur Weller, and John Bagot in the "class" no stone was left unturned. Mr. Ginders was a member and his contribution was always apposite and well thought out. I may well be the sole survivor of that class."

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## THESE FOOLISH THINGS

**Dandelions and Toilet Paper.** From the Treasury Chambers, situate (as the estate agents say) on very valuable land in Westminster a stone's throw from the Mother of Parliaments, come two very important - sounding documents — Statutory Instruments, 1958, Nos. 362 and 363. The former Order came into operation on March 13, and reduces the rate of duty chargeable on dandelion root under the Import Duties Act, 1932, from 1s. 3d. per lb. to 10 per cent. *ad valorem*. The other Order continues indefinitely the drawback of Customs duty allowable on certain imported paper used in the manufacture of toilet paper, in rolls or packets, when the toilet paper is exported. It came into force on March 15. Data from *Board of Trade Journal*. Comment superfluous.

**Potatoes "Administered".** The Potato Marketing Board's administrative costs in 1955-56 amounted to nearly £8 a ton. This is one of the alarming facts which is recorded by Sir Frank Tribe, the Comptroller and Auditor-General, in the *Civil Appropriation Accounts* published by H.M.S.O., last week, price 16s.

Sir Frank questioned the Ministry of Agriculture on their financial arrangements with the Board. The loss on the 1955 crop was about £439,000, all but 5 per cent of it being met by the Exchequer. The Board's administrative expenses for 1955-56 were £538,000, of which £321,000 was paid by the Exchequer. As a contribution for its services, the Board also received a further £100,000. In the end the Board, whose income was £700,000 in the year, was left to meet only about £120,000.—*People's Guardian*,

**"Brutal Russians".** Sir David Eccles, president of the Board of Trade, at the Canada Club dinner in London on March 19 said: "Who can say what, by our standards, are the costs of production in Russia? Yet aluminium and tin and oil are being offered on our markets and no doubt will be offered in growing quantities. If we do not buy them one of our competitors will. Do not let us underestimate the brutal advantages which the Soviets derive from their suppression of personal freedom and choice: they are able to neglect their own people's consumer needs and to direct their resources for external political ends."

Accepting Sir David's view, we remark that B.O.T. presidents who live in glass houses should not throw stones! The British consumer's choice is fettered by tariffs, quotas, exchange control, subsidies, etc. They should be abolished. British industrialists should buy cheap Russian metals and oil. He who gets much and gives little in return has the better of any transaction.

## Land Valuation in Jamaica

*Difficulties are being encountered—and surmounted*

THE Jamaican Land Valuation Bill was described, and its passage through the Colony's Parliament was reported in our February, 1957, issue. During the debate, Mr. Norman Manley, the Labour Party Chief Minister said, "small farmers will welcome this measure with joy. At long last they will not pay taxes on their houses; they will not pay taxes on their fruit trees." The Conservative *Sydney Morning Herald* endorsed this view in the report we reprint here from its March 17 issue. This brings the story up-to-date, telling how an Australian Public servant has been engaged in making a valuation on the Australian pattern.

"Back home in Sydney this week after 21 months of hectic work in Jamaica the Public servant, Mr. John Copes, was able to take his first detached look at the progress of the island's new land valuing system. Three years ago Jamaica appealed to UNO for the services of an adviser under the Technical Assistance programme to make a report on the feasibility of introducing land taxation on the basis of unimproved land value. The sort of thing they had in mind, they said, was a system like those in Denmark, New Zealand and Queensland and N.S.W.

"The task fell to Australia and in April, 1956, Dr. J. F. N. Murray, chairman of the Federal Valuation Board, went over to report. On the groundwork of his report, Mr. Copes has ever since been introducing the system, neither as simple a matter as it may sound nor a mere Government procedure remote from the everyday lives of Jamaicans. To begin with, the new system involved legislation and, following hard upon that, the creation of machinery to implement it. Mr. Copes himself became Commissioner of Valuations at the head of the new Division of the Jamaican Ministry of Agriculture and Lands.

"To the Jamaican smallholder, taxation on unimproved value provides an incentive to develop his land in the knowledge that his work will not mean higher taxes.

"Mr. Copes bought equipment, engaged personnel and helped to train them, then set out into the bush to start valuing in the field. For several reasons it is not easy to determine unimproved values on an island like Jamaica where development has been very mixed. You have towns both large and small, mineral extraction areas (specially since bauxite was discovered), large estates and plantations; but at the same time there are countless small holdings marked only by invisible lines running between trees and established by custom ever since the time when freed slaves left the plantations on the plains and squatted on land in the hills.

"Primarily Mr. Copes had to make a careful analysis of Jamaica's economy. In the field he and his assistants have to compile the first-ever maps of small holdings. Mapping and valuation proceed hand in hand, and when

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Mr. Copes left Jamaica only one parish out of 14 was nearing completion. As the process gathers pace Mr. Copes is quite prepared for disputes over ownership, and appeals against actual valuations, disputes and appeals in which he becomes the unhappy first-stage arbiter.

"Unimproved value means the value of a block of land in the light of its quality and setting, but does not ignore the improvements that have taken place around it. A railway running nearby obviously affects the value of land.

"It is difficult enough to put this point across in Australia; in Jamaica it has been even worse. Consequently another part of the programme was to educate the public. The Government produced colourful brochures, films, broadcasts, and to produce them they had to call yet again on the skill and experience of their Australian expert. Not that Mr. Copes thinks of himself as an expert. 'You accumulate the knowledge over the years, y'know,' he said modestly.

"Over the years Mr. Copes has been an estate agent, an Army hirings officer, an employee of the Commonwealth Bank and rating specialist for the Federal Government. Until he left for Jamaica he was editor of *The Valuer*, the official publication of the Commonwealth Institute of Valuers.

"The completion of the present work in Jamaica will take another three years, Mr. Copes thinks, and he has agreed to return in June to continue as commissioner for one year more. After that he will become a normal Australian Public servant once again. Jamaica will be able to carry on the work he began and his temporary employer, UNO, will have completed another project."

### WEST GERMANY—Local Taxation on Buildings and Improvements

REFERENCE by Mr. William Ainsley, M.P., to the Land Tax in West Germany in the course of the second reading debate on the *Local Government Bill* last December 9 was taken by Mr. C. W. Gibson, Labour M.P. for Clapham, to mean that local taxes in West Germany are levied on the site-value basis. Hansard for that day (Col. 991) reports him as having said:

"The Minister said he could not see any possibility of any new source of revenue, but if he had looked hard enough he would have seen examples in Denmark, for instance, in most of the countries of the Commonwealth, and, according to one of my hon. Friends, in Western Germany, where a large proportion of local income is raised from local rates on land values."

This interpretation does not appear to have been refuted during the debate.

The Embassy in London of the Federal German Republic referred us to the British Embassy in Bonn from

whom we have received letters as follows, dated February 27 and March 18 and signed by Mr. R. A. Farquharson, First Secretary, Commercial Department:

"It is quite true that there is a Land Tax (*Grundsteuer*) in the Federal Republic but this is levied by the municipalities and not by the Laender (State) Governments. In 1956, revenue from this source amounted to DM 1,404 million out of a total tax income of the municipalities of DM 6,114 million. For purposes of comparison, the total income from all taxation levied by the Federal Government, the Laender Governments and the municipalities in 1956 amounted to DM 46,968 million.

"The yield from the land tax varies considerably throughout the Federal Republic. In 1955, for example, municipalities in Schleswig-Holstein (a predominantly agricultural area) received DM 101 million from this source while the yield in highly industrialised North Rhine-Westphalia in the same year was DM 1,347 million. In considering these figures it is, of course, necessary to bear in mind that Schleswig-Holstein has only half the physical area of North Rhine-Westphalia with a population (on December 31, 1955) of 2.28 million as compared with 14.86 million.

"The '*Grundsteuer*' is levied annually by municipalities and is paid by the owners of land and buildings. The basis of the tax is the taxable value of the land; and this is generally low having been fixed in some cases as far back as 1936. The rate of taxation varies from 1 per cent to 4 per cent depending upon the classification of the land in question and on the rate decided upon by the individual municipalities. There is also a Land Acquisition Tax (*Grunderwerbsteuer*) which is levied by the Federal Government although part of the proceeds go to the Land Government and municipality involved. The tax, which is paid on the transfer of real estate from one owner to another, is usually at the rate of 7 per cent reduced to 6 per cent if the transfer is made to a Company in exchange for capital stock. The tax itself is, of course, levied on the agreed sale price for the real estate in question or, alternatively the value of any consideration received in exchange."

In his second letter, Mr. Farquharson explained: "For the purposes of the German *Grundsteuer* the taxable value of the land includes buildings and/or improvements. The tax is levied whether or not the land is used but exemption may be claimed for bombed sites if income derived therefrom is low."

#### "Black Market" in Sites

#### Freedom Wanted but Speculation Feared

The operation of the Land Acquisition Tax (*Grunderwerbsteuer*) was discussed in a recent press report translated by Mr. Erich Zincke, a *LAND & LIBERTY* reader in Hannover. According to this report, the present "price stop" on the selling price of sites is likely to be removed. Such action is favoured by the F.D.P. (Liberal Party). A Federal Building Law is expected to come into force two years hence but in the intervening period there are popular fears of rampant land speculation. Two S.D.P.

(socialist) M.P.'s have urged the Federal Housing Minister not to restore a free market in sites without simultaneously ensuring that speculation would be impossible.

A landowner's organisation in Lower Saxony is reported to doubt whether in fact land prices will rise when the "price stop" is removed. This is because at present there is a "black market" in sites. Land is being sold at above the permitted price, documents are being falsified and, since the Land Acquisition Tax is levied on the figure recorded, the revenue is being defrauded. Vendors and purchasers thus have a mutual interest in lawbreaking although under a recent court ruling, the vendor stands liable to refund the purchaser's "black" payment even where he has been "seduced by the purchaser's promises, enticements, or appeasements" to enter into a "black" transaction. The Saxon landowners regard this as an additional reason for restoring a free market. By that means, fraud would be eliminated and those landowners who do not care either to break the law or accept a 1936 price for their holdings would be likely to offer land for sale.

Here, surely, is a strong case for the taxation of land values. The present restrictions are flagrantly discriminatory. They foster fraud and deceit, raise the price of land and inhibit development. They should be swept away. A land-value tax would increase the market supply of land, reduce its price, stimulate development and make speculation impossible. The new, generally lower prices of sites would be known to the Government, the local authorities, vendors and purchasers. Homes, shops, offices, factories, etc., are socially desirable. They should be cheap and plentiful. Wrongful taxation makes them scarce and dear. A tax on land values would have the opposite effect.

#### SWAZILAND—A Memorial to Frederick Verinder

*Miss Frances Verinder writes from Cape Town*

**M**EMBERS and friends of our Movement who are not so young may be interested to know that, in far-off Swaziland, there is now a "living" memorial to Frederick Verinder.

In this Protectorate, under British rule, is to be found the Anglican Mission at Usuthu, an educating and training centre for Swazi boys and girls. On the Mission stands a primary school, but unfortunately, the little secondary school belonging to the Church was at Holy Rood, across the Transvaal border and thus subject to South African law. Hence, in 1953, under the *Bantu Education Act*, which provides "education for servitude" for the African, this school was closed by the Union government. Nothing daunted, the members of the Mission, with the scantiest of material resources, are now engaged upon building a new, and larger, Secondary School in Swaziland where, under the British flag, Africans are free to develop their talents to the full.

Among those served by this Mission are a number of very promising African boys and the Frederick Verinder Memorial Scholarship Fund, now established, will help

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 continued 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."

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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.

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#### 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.

# How Land Values Rise and Fall Always in Response to Community Influences

THE moral justification for levying taxation on the site-value of land (the "economic rent") is that this value is in no way attributable to any expenditure or activity of the landholder. Land values constantly fluctuate, rising here and falling there, in response to environmental factors that make particular sites more or less desirable. This is clearly illustrated by the following instances culled recently from the press.

★

THEY DON'T LIKE NIKE. In his column in the St. Louis (Mo.) *Globe-Democrat*, Robert C. Ruark wrote recently: "The good burghers of Westport (Conn.) are asking to build a stockade to hide the cheaper homes of the married army personnel who will be working at the nearby Nike guided missile base at Bayberry Lane. This sector of civilian homes is called Flower Estates and the houses cost from \$22,000 to \$25,000 each. The army engineers propose to place some 16 houses, at around \$13,000, on adjacent land. The Flower Estates people, 82 houses strong, are up in arms. *Real estate values will go down unless the military personnel's cheaper hutches are hidden from sight . . .*"

★

"SPACE-AGE" TOWN BOOMING. From Cocoa Beach, Fla., *The Times* Special Correspondent reported on March 3: Only three years ago Cocoa Beach, the vantage point from which one may watch American missiles being fired into the Atlantic and American satellites being launched into space, was like any other undeveloped stretch of Florida's Atlantic coastline—long reaches of hard sand, and behind them swamp, squat palm trees, salt-water lagoons, some cattle-farming and citrus groves farther inland; along the coast the poor houses of shrimp fishers, and a few substantial winter homes of the well-to-do of the north.

As the base grew, so did the population of Cocoa Beach grow by some thousands, and thousands more work here and commute to Orlando or other neighbouring towns. Florida fortunes made in real estate speculation are part of the state's history, and there were many far-sighted enough to buy, for a few dollars an acre, land that can now be sold for hundreds of dollars a foot of frontage. A plot of 80 acres was bought for \$4,000 in 1954, sold for \$18,000 a month later, for \$56,000 six months after that, and is now on sale again for \$60,000. There seems no reason to doubt that it will find a buyer.

★

A HAVEN FOR SPECULATORS. The *Manchester Guardian's* local government correspondent, in an article last month describing the plans to develop Milford Haven, Pembrokeshire, as a terminal port for the new giant oil tankers, wrote: "Already speculation in land is rife in the vicinity of the 350-acre site on which the Esso Company recently got permission to build its refinery. Farmland

is changing hands at four times the price it fetched a few months ago and the planning authority is being bombarded with application for consent to residential and industrial developments—200 acres here, 170 there, and 100, 40, or less elsewhere."

★

JET AIRCRAFT REDUCE LAND VALUES. The *Estates Gazette* reported in January that the gross rateable values of each of nine houses on an estate opposite the main runway of the De Havilland airfield at Hatfield had been reduced by £5 by the local Valuation Court because of the noise from jet aircraft and isolation from other parts of Hatfield. In February the *E.G.* reported that rating assessments in the Cotswold village of Kemble had been similarly reduced by the Cirencester Valuation Courts. The village was "avoided like the plague" and those who had to live there did so "in hell" from the noise of jet training fighters from a nearby airfield.

In both these cases it is obvious that it was the *location* value—i.e. the site value—of the houses, not the value of the structures, which had been reduced by extraneous circumstances.

★

THE MIRACLE AT LOURDES. The *Manchester Guardian*, February 11, published a report from a special correspondent at Lourdes on the arrangements for the centenary celebrations of the first apparition to Saint Bernadette on February 11, 1858. "The small provincial town is decorated with the blue and white flags of the Virgin Mary and yellow and white banners of Bigore—the region around Lourdes—for which Bernadette is not only the patron saint but also an enormous benefactor . . . One hundred years ago Lourdes was a small town of 4,000 people and there was no reason to suppose that, as has happened all over the French provinces, it would not gradually decline. But the 15,000 inhabitants of present-day Lourdes can accommodate 25,000 pilgrims and tourists every day in the host of hotels and boarding houses which have sprung up mostly since the war. Indeed, at least 6 million pilgrims are expected between now and the end of October . . . Many pilgrims will be shocked by the tawdry wares exhibited in the 600 shops selling what a priest described to me as 'religious ironmongery,' all of it decorated with a picture of St. Bernadette or of the grotto. But a little shop 24 ft. by 15 ft. in the vicinity of the grotto now costs around £50,000 if, in fact, one can be bought, so profits are clearly high."

Allowing, generously, £5,000 for the cost of such a building, that gives a price of about £45,000 for 40 square yards—or more than £5 million per acre. Even the staunchest opponent of the taxation of land values would not dare to suggest that landowners in Lourdes have given land in a small provincial town such a fantastically high value.