

MR. HERBERT MORRISON'S DECLARATIONS ON LAND VALUE RATING

WHILE we look forward to what the Government intends to do about Land Value Rating, we think it will interest readers to recall some of the statements made by the Rt. Hon. Herbert Morrison, M.P., now Lord President of the Council, when he was Leader of the London County Council. These statements bear on the L.C.C. Bill for the Rating of Site Values.

Frequent reference is made in these columns to the London County Council Bill and we are sometimes asked what happened to it. The history is briefly as follows: On 14th July, 1936, the L.C.C. adopted a report of its Finance Committee favouring the Rating of Site Values and petitioned the Government to introduce the necessary legislation. Upon the Government refusing to accede to this request the London County Council resolved on 26th July, 1938, to promote legislation for applying a measure of site value rating in the County of London. The draft Bill was approved by the Council on 15th November, 1938, and introduced as a Private Bill. On 8th February, 1939, on a point of order the Speaker of the House of Commons ruled that as the Bill raised questions of public policy of great importance it could not be allowed to proceed as a Private Bill and ought to be introduced as a Public Bill. On 15th February, 1939, Mr. Herbert Morrison moved under the "Ten Minutes" rule: "That leave be given to bring in a Bill to provide for the rating of the annual site value of land in the administrative County of London; and for purposes connected therewith." Upon a division being taken the resolution was defeated by 229 votes to 135. The supporters of the motion included 114 Labour Members.

Action by the London County Council has rested since then, in view of the coming to power of the Labour Party and the presumption that the Labour Government would itself take the earliest opportunity to fulfil its pledges in this regard.

FROM MR. MORRISON'S SPEECHES

"The decision of the London County Council to promote legislation during the next Parliamentary Session for the rating of site values in the administrative County of London was one of vital importance to London ratepayers. The Bill was a great measure for the relief of the general body of London ratepayers. They were not animated by any spirit of spite or a desire to damage the interests of any particular section of the community. It was for them a matter of justice. No less was it a matter of justice for the general body of London ratepayers, who now, through rates on buildings, carried the whole burden of municipal expenditure. By rating the owner of land they would secure a better distribution of municipal taxation. It was right that the owner of land should carry a share of the burden. His land would be worth very little if this great population of London engaged in work, trade, and industry were not present to make London as valuable as it was. Apart from that, municipal activities themselves enabled landowners to get a higher rent for their land. Nearly every public improvement increased the value of neighbouring land, and yet, in spite of the fact that large sums were paid in compensation to landowners by a public authority, they contributed nothing to the municipal treasury."—*Report in "THE TIMES" of an address to the South Hackney Labour Party, August 1, 1938.*

"In the coming Parliamentary Session the London County Council is to promote a Bill for the rating of Site Values. The purpose of the Bill is to open up a new source of municipal revenue and thus to relieve the general body of ratepayers of part of the burden which would otherwise fall upon them. It is not a Bill for additional municipal expenditure. It is not a Bill for increasing the municipal rate burden of the average citizen—on the contrary, it is a Bill to relieve the average citizen.

"As urban communities grow, land values rise. The activities of a great population, its commercial and business enterprise the concentration of a great community within a limited space put the landowner into the position of being able to demand

a higher and higher price or rent for his land. Moreover, the municipal services themselves, which make civilised urban life possible and increase public amenities, assist the landowner to command a higher price for his land. The opening of a public park, the establishment of the Green Belt, highway improvements, a new bridge and a number of other municipal developments, may well have the effect of increasing the value of the surrounding land. The money goes into the pocket of the landowner who has done nothing to create the added value.

"Moreover, when the municipality wishes to buy land for a public improvement, the landowner naturally seeks to get the highest price he can from the public authority. In a large proportion of cases he is paid out of public funds a substantially higher figure than he himself paid for the land. Yet the landowner, who has little to do but stand by and watch other people add to the value of his land—he as such, pays no rates. It is not fair. It is for these reasons that the L.C.C. has come to the conclusion that the landowner should make his contribution to the cost of local government and thereby relieve the burden which the general body of existing ratepayers must otherwise carry in full. It is a question of justice and not a question of wishing spitefully to hurt any particular class of the community."—*From a statement issued to the Press in October, 1938.*

"We may be sure that anti-social land-owning interests will mobilise all their Parliamentary forces for the defeat of this Bill which seeks to lighten the burden of the general body of London ratepayers. It is vitally important that all London M.P.s at any rate, irrespective of party, shall be made to understand that the people of London demand the passage of the Bill."—*From a resolution in the "LONDON NEWS," December, 1938.*

"The Speaker's ruling is, of course, final in these matters, but I may be permitted to be very sorry about it from the point of view of the general body of London ratepayers. This was a Bill that would have relieved their burden by transferring part of the rates to landowners who, as such, now entirely escape the payment of rates, notwithstanding the enormous advantages which they reap from the very existence of London and its government. It would appear that Parliamentary standing orders and traditions are very 'sticky' as to the privileges of property owners. Traditions and standing orders of Parliament have been handed down from the dark and backward days of the nineteenth century, and we are not even permitted to have a stand-up fight for what we believe to be just. The landed dukes who were among the leaders of the opposition to the Bill have for the time being won a bloodless victory."—*Statement after the Speaker of the House of Commons had ruled the L.C.C. Site Value Rating Bill out of order, February 8, 1939.*

"The value that attaches to London land attaches to it because a community of millions of people is at work in the City, and the landowners are living upon the backs of those people. The community itself, the millions of people in London, could not live in this great City if the local authorities did not discharge many statutory duties and conduct many public services. Unless the local authorities existed and worked, the community could not live a civilised existence in London, and therefore the value of the land would not exist. In these circumstances it is not only grossly unjust, but it is really a piece of characteristic landowning impudence that these landowners, who benefit so much from the existence of the community and from the work of the local authorities, should be specifically exempted from contributing their share towards the work of the local authorities. The general body of ratepayers, including the residents, the little shopkeepers, the business men, the lower middle class, the owner-occupier who is purchasing his house under a loan from the local authority or building society—all this body of ratepayers are paying more rates in order that landowners shall pay no rates; and we say that it is unjust, and that it is the duty of the House to give justice to this general body of ratepayers."—*House of Commons, February 15, 1939.*