

dered immense service to the world and can continue to do so.

At the same time we are convinced that Empire Preference has done more to undermine the British Empire than anything else—and that to restore the Empire we must abandon all preferences. Why do we say this? Because Britain is the centre of the Empire, and without strength at the heart of the Empire, which is Britain, the rest of the Empire must break up.

A strong Britain requires that we should buy in the cheapest market, and that we should trade freely with people of all colours and creeds, and that we should supply

the world with the one market place where goods of all kinds can be freely exchanged for good money.

There are many aspects of this tariff discussion, but there is a final one which is important. The policy of tariffs results in a widespread national decline in morality, whereas the policy of sound money and Free Trade brings into operation certain natural discipline. People have to conduct themselves in such a manner as to survive and to flourish in the face of continually changing conditions and influences. They get no special privileges at someone else's expense. The one thing that all men get under those conditions is freedom of opportunity.

LONDON BOROUGHS AND THE RATING OF LAND VALUES

A REPORT of the Finance Committee of the Battersea Borough Council, submitted to that Council on September 22nd helps us to know the outcome of the consideration which the Metropolitan Boroughs' Standing Joint Committee has been giving to the question of the Rating of Land Values. The Finance Committee recited the Report which it had received from the "Joint Committee," that report having been adopted at the meeting of the "Joint Committee," held on July 28th, 1947. We give that report in brief, italicising its important passages:

In October, 1946, the Rating Advisory Body of the "Joint Committee" was requested to make a report on the question of the Rating of Site Values. In February, 1947, that report was received and the Rating Advisory Body was further asked for a memorandum on the effect of the proposals contained in the Town and Country Planning Bill. The report and the memorandum were then sent to each of the Metropolitan Borough Councils for their observations.

"Replies have now been received to the effect that twenty Borough Councils are in favour of the principle of rating of site values, five are not in favour, two have no observations to make and two have deferred consideration until such time as Government policy is declared."

The various statements made as to the Government's view regarding the future of rating generally, together with the fact that the proposals contained in the Town and Country Planning Bill, had an important bearing on the question of the taxation of land values, made it difficult for detailed consideration to be given to the matter at the present time.

"Having regard, however, to the fact that a large majority of the Borough Councils are in favour of the principle, we recommend (i) that the Minister of Health be informed that the Committee are in favour of the principle of the rating of site values and would be glad to have the opportunity at a later date of submitting proposals which the Government may formulate thereon; and (ii) that the attention of constituent Councils be specially directed to this paragraph."

Although it is gratifying to know that so many London Borough Councils have "in principle" approved of the Rating of Site Values and that the "Joint Committee" has itself passed a resolution favouring the principle, a certain mystery attaches to the whole matter. The report has not been publicly circulated, nor have the documents relating to it been made available to the general public. Our enquiries give rise to the impression that the "Joint Committee" is delaying publicity pending further con-

sideration; yet surely its own resolution adopted on the 28th July cannot be repudiated.

A FALSE DIRECTIVE

There is one essential matter which it is important to clarify. *What does the Joint Committee mean by the Rating of Site Values?* The documents circulated by the Rating Advisory Body of the "Joint Committee," with their outline of the policy, the arguments for and against, the sketch of previous legislative proposals, reports of Commissions and Committees, practical operation in other countries, are altogether laudable. The understanding reader looks at the "recommendations" which follow upon so much instruction and he finds that the whole thing collapses in one little significant sentence, namely: "That the annual site value should be limited to the annual value of the site as then actually and physically developed and as if it were permanently restricted against any other development than that then existing"—which, of course, is not the rating of land values at all, but a complete travesty of it. In making this fantastic suggestion, the Rating Advisory Body perhaps had its eyes upon the Town and Country Planning Act, with its provisions for condemning all land to its present use unless permission to develop is granted and a so-called "development charge" is paid—provisions which exempt landowners from taxation of the "development value" of the land (since under the Act they no longer possess that value, but the "Central Land Board" does). But the complexities, absurdities and injustices of the Town and Country Planning Act are another matter and raise other questions when the Taxation or Rating of Land Values *rightly understood* takes effect. If the Town and Country Planning Act is not suspended, or repealed as it should be, the Central Land Board will have to be treated as a party interested in the value of land, the value of the restriction it imposes will have to be assessed and it will pay its proportionate part of the tax or rate just as would any landowner who places a restriction, for his own advantage, on the unrestricted use of land.

In its definition of annual site value, the Rating Advisory Body repeats the nonsense that appeared in the report of the Uthwatt Committee, when it considered something which it called rating of site values. All it portends is a ridiculous if not impossible splitting of the rent or rateable values of properties as they are used to-day, so that one would see something dubbed "site value" varying from point to point according as a new or old or a large or small building stands upon lands which (apart from the building) have precisely the same value. The result would be the imposition of a higher tax the better any land is developed and the putting of a premium upon neglect and deterioration.

No doubt, the Borough Councils which have passed their resolutions endorsing the Rating of Site Values have done so "in principle," understanding by the principle that which they and the hundreds of municipalities have repeatedly approved, without looking at flaws and contradictions like this which creep—deliberately or not—into official documents placed before them. If anything eventuates in the way of proposed legislation as the outcome of the Standing Joint Committee's activities, it will require to be scrutinised most closely and the knife of excision applied to provisions or definitions that would stultify the whole principle. Moreover, something must be done, and done quickly, to save the country from the damaging and calamitous effects that the Town and Country Planning Act, in its prohibitory and financial provisions, will have upon all building development. Sanity points to its immediate repeal, and to the necessity of proceeding at once with the Taxation of Land Values and the untaxing of industry.

A RECORD OF THE MUNICIPAL SUPPORT

1. During the years 1946 and 1947 the following 78 local authorities have adopted resolutions expressing their approval of the necessary legislation for the Rating of Land Values:—

Acton.	Holborn.	Stretford.
Anglesey C.C.	Ipswich.	Swansea.
Aylesbury.	Jarrow.	Swinton and
Bacup.	Kettering.	Pendlebury.
Battersea.	Kidderminster.	Tottenham.
Barnsley.	Hull.	Tyldesley.
Batley.	Lambeth.	Walsall.
Bexleyheath.	Leigh.	Wallsend-on-Tyne.
Blackburn.	Leyton.	Warrington.
Burnley.	Loughborough.	Wembley.
Cardiff.	Luton.	West Bromwich.
Dagenham.	Manchester.	West Ham.
Darlington.	Mansfield.	Whitehaven.
Dartford.	Middlesex C.C.	Wigan.
Doncaster.	Morley.	Willesden.
Dover.	Oldham.	Wood Green.
Dudley.	Pembroke.	Woolwich.
Dunstable.	Radcliffe.	Wrexham.
Ealing.	Rawtenstall.	Derby.
East Ham.	Rowley Regis.	Gateshead.
Fleetwood.	Reading.	Gravesend.
Fulham.	St. Pancras.	Northampton.
Glamorgan C.C.	Shoreditch.	Pontefract.
Greenwich.	Southall.	Stockton-on-Tees.
Hackney.	Southwark.	Walthamstow.
Hendon.	Stalybridge.	Widnes.
		Workington.

2. Between 1936 and 1946 seventeen of the foregoing local authorities adopted resolutions in favour of land value rating, and 36 others, namely:—

Barking.	Essex C.C.	Portland.
Bermondsey.	Fairbairn.	Portsmouth.
Bethnal Green.	Feltham.	Port Talbot.
Bexley.	Fulham.	Royton.
Birmingham.	Hammersmith.	Southall.
Bournemouth.	Hayes and	Stoke-on-Trent.
Camberwell.	Harlington.	Sunbury.
Cambridge.	Heanor.	Tottenham.
Coventry.	Hornchurch.	Waltham Abbey.
Deptford.	Inverness.	Whitley and
Edmonton.	Islington.	Monkseaton.
Ellesmere Port.	Linslade.	Woolwich.
Erith.	London C.C.	

3. Previous to 1936 and back to 1918, during the period when Cardiff, Glasgow, Bradford, Newcastle-on-Tyne, Stoke-on-Trent, Sheffield, Manchester and Tottenham were giving a lead in this municipal agitation,

resolutions were adopted by 170 local authorities not included in the foregoing lists. Thus, according to our records, which may not be complete, 284 local authorities have in recent years approved of the Rating of Land Values.

WHAT MR. DALTON SAID

In view of the fact that the Local Government Bill contains no provision for the Rating of Land Values, it is relevant to recall the statements of Mr. Hugh Dalton, the late Chancellor of the Exchequer. The question of possible legislation is now referred to a departmental committee which as announced on the second reading of the Bill, has been appointed by the Minister of Health and the Secretary of State for Scotland.

On the Second Reading of the Finance Bill, May 16th, 1946. "I cannot, of course, make any commitment but . . . we shall certainly consider . . . between now and that time next year . . . the possibilities of such a tax on land values, particularly in relation to the adjustment that must take place between national and local finances and the revision of the block grant to which we are committed. I shall be very glad to have representations . . . on whether into this new scheme of the financial relations between the Treasury aid and the local authorities, it would be feasible to fit in some plan whereby the local authorities who wish to do it . . . would be able to raise part of their revenues from a tax on site values within their own area."

At the Annual Conference of the Labour Party, June 14th, 1946: "There are some people who think that the local authorities should have the right, if they wish, to raise part of their local revenue by a local tax on site values as distinct from the values of buildings and of improvements, whether residential or industrial. I have undertaken to give careful consideration, together with Mr. Bevan (Minister of Health) and my other colleagues, to this possibility in connection with the general revision of national and local finance."

On the Second Reading of the Town and Country Planning Bill, January 30th, 1947: "There is still a strong case in principle for shifting the burden of local taxation, in some part at any rate, from buildings and improvements on to site values, even though they are deflated by this measure. . . . We are now seeing whether we can work out a practicable scheme which would give enabling powers to local authorities to levy a local rate on site values in their area. If it should so turn out, as I hope and believe it may that we can produce such a practicable scheme, then this would fall within the broad field of rating and valuation, long overdue, which the Minister of Health is handling and on which in due course this Government will, I hope, be able to legislate."

On the Second Reading of the Finance Bill, May 19th, 1947: "Several members have referred to the rating of land values. . . . There will be legislation some time. We cannot exactly tell when, but within the lifetime of this historic and vital Parliament it is probable that legislation will be brought in dealing with various matters relevant to valuation, rating and kindred topics. . . . It cannot belong to the Finance Bill because we are not going to embark at this stage on a national valuation for national taxation on land values. But it does not exclude the possibility of such local authorities as wish to do so considering matters in relation to land values within their areas. I cannot go further than that, but I hope that what I have said will not be thought discouraging."