

LONDON RATING (SITE VALUES) BILL

MR SPEAKER'S RULING

(House of Commons, 8th February.)

MR H. G. WILLIAMS : May I address you, sir, a question of which I have given private notice, namely, whether you have considered the provisions of the London Rating (Sites Values) Bill, and whether, in view of the questions of public policy and the issues raised by its provisions, they should not more properly be embodied in a public rather than in a private Bill?

MR HERBERT MORRISON : Before you give a Ruling, sir, if it is your intention to give a ruling upon this Bill, I should like you and the House to give me an opportunity to submit certain considerations as to why this Bill should be allowed to proceed. It is a Bill to bring into rating certain property, namely, land, which is now not a subject of rating, and the object of the promoters is to bring justice and relief to the general body of ratepayers. There are certain exemptions in the Bill, and it would be competent for the Committee upstairs to consider any representations as to further exemptions. The Bill is promoted by the London County Council. It is approved by a majority of the metropolitan borough councils, and has been approved by the people of London at two London County Council elections. All that we are asking is that the Bill should be considered at the hands of Parliament, that all the interests and the arguments should be heard, and that Parliament should then resolve upon its conclusions as to the Bill.

I wish to submit to you that there are certain precedents for proceeding with a Bill of this kind. There is, first, the precedent of the London Rating (Unoccupied Hereditaments) Bill, 1936, which brought into partial rating certain property which hitherto had not been rated. A point of Order was raised with you, and the Bill was permitted to proceed. The London Building Acts, which restrict owners of property in London very seriously, have been dealt with by Private Bill Procedure. There were Bills a few years ago for the co-ordination of London passenger traffic promoted by the then London County Council and the London traffic combine, which materially altered and involved great questions of public principle in the control of London passenger transport. They were permitted to proceed. There was in 1926 a Newcastle Corporation Bill, which proposed powers for town planning built-up areas, which were then outside the scope of Public Acts respecting town planning, and obviously affected property owners within the city of Newcastle. That Bill was permitted to proceed and was actually enacted. The London County Council promoted a Bill affecting the green belt in London and the Home Counties, and notwithstanding that a wide area of the country and very extensive areas outside the council's area were involved, that Bill was permitted to proceed, and it found its place on the Statute Book. Moreover, it is well known that Private Acts affecting London have been frequently before the House and have been proceeded with. Many of them actually involved the amendment of Public Acts.

I further submit that London rating is already exceptional in relation to rating in the rest of the country. It is a distinct code, with distinct provisions from the rest of the country. This Bill proposes to preserve that general code. It proposes no repeal of general Public Acts, not one, and, indeed, all it proposes is

that a new column should be put into the valuation list and that land should be brought into rating. The authorities for rating would remain the same under the Bill, and the procedure would remain substantially the same. It is, indeed, I submit, only a modification of the London Rating Acts. There are, it is true, many opponents of the Bill who have deposited petitions, and it is, of course, right that they should be heard in Committee, and that their friends, or those who agree with them, should argue their case on the Floor of the House, but it seems to us that this is a legitimate Bill for the House to consider. Administratively it will work even though it will be a somewhat different system from that in the rest of the country, and I venture to submit that the Bill ought to proceed.

If you will permit me, I will refer to one other point. There was a ruling by Mr Speaker in 1895 with regard to the London Valuation and Assessment Bill. The Speaker at that time ruled that that Bill could not proceed, on the following grounds: the magnitude of its scope, the magnitude of the area, and the multiplicity of the interests involved. I submit that that precedent would largely fall now, because there are many Private Acts for London which have proceeded notwithstanding those objections. That Bill repealed Public Acts of vast magnitude and covering a vast area. This Bill repeals no Public Acts. That Bill, the Speaker held, affected not only local rating but Imperial taxation. This Bill does not affect Imperial taxation. That Bill, the Speaker held, involved interests which were much more than local. This Bill is a London Bill. It may affect people who do not live in London, but that is equally true of the London Building Acts and amendments thereto which have passed through this House. Finally, that Bill proposed to create a new court in the matter of assessment. This Bill does nothing of the kind. In these circumstances, having regard to the strong feeling which exists for the Bill—and I admit that there are strong feelings against it on the part of those who have a right to be heard—I ask in view of the precedents, in view of the nature of the Bill and in view of the fact that it does not repeal general legislation, that the Bill should be permitted to proceed.

MR SPEAKER : In reply to the question of the hon. Member for South Croydon (Mr H. G. Williams), I have, of course, given the fullest consideration to whether this Bill should be introduced as a Private Bill or should be a Public Bill. The right hon. Member for South Hackney (Mr H. Morrison) has put many points before me which, of course, I have considered carefully before coming to a decision. The Bills which have been allowed to proceed as Private Bills have never raised questions other than practically local questions, and have never sought to alter the whole basis of taxation by a Private Bill. As regards the London Valuation and Assessment Bill, 1895, no doubt some of the reasons which the Speaker of that day gave why that Bill should not be introduced as a Private Bill are not relevant to the present Bill, but there are certainly two of the objections which induced him to form the opinion that that Bill had to be a Public Bill which apply to this Bill. One reason he gave was the magnitude of the area and the multiplicity of the interests involved, and the second that it involved interests which were much more than local. Taking that as a precedent,

and having considered whether this Bill should be introduced as a Private Bill or a Public Bill, I have come to the conclusion that since it raises questions of public policy of great importance, and affects interests of vast magnitude, interests which are much more than local, the Bill ought to be introduced as a Public Bill and cannot be allowed to proceed as a Private Bill.

MR H. MORRISON : May I ask you, sir, whether, in reaching the conclusion which you have intimated to the House, you have taken into account that 1895 is a long time ago and that since then the attitude of this House, on both sides, to questions involving property has been modified, and that considerations which might have been applicable in 1895 may not be necessarily applicable in 1939, when the Houses of Parliament, both of them, have taken different views on questions affecting the rights of private property ?

MR SPEAKER : I have taken that point into account. I am quite aware of the fact that since those days of 1895 and the formation of the London County Council, which controls a large area, many things have been done by Private Bills which formerly would not have been done in that way, but they have been Bills granting some exemptions from rating or instituting some new system of valuation based upon the existing rating law, and none of them has made a fundamental alteration in the law of rating. Taking that into account, I still think that this particular Bill can only be introduced as a Public Bill.

MR MORRISON : On that point, may I submit for your consideration that this Bill does not propose a fundamental alteration in the law of rating ? It is limited to the point of introducing a supplementary and new source of rating for the purpose of relieving the general body of existing ratepayers.

MR SPEAKER : That point has been considered. The rating proposals in this Bill have never been introduced in any previous Private Bill and this Bill does make a fundamental alteration in the law of rating.

MR MORRISON : May I put one final point to you, sir ? If I introduce this London Bill as a Public Bill may I assume that there can be no question that I shall then be in order ?

MR H. G. WILLIAMS : Would not such a Bill require a Financial Resolution, and could it not be introduced only by a member of His Majesty's Government ?

MR MORRISON : There will be no expenditure of public funds under the Bill.

MR SPEAKER : I could not give a definite answer to that point. As a Public Bill this Bill would have to go before the Examiners.

SIR PERCY HARRIS : Are you aware, Mr Speaker, that the Chancellor of the Exchequer introduced a Bill dealing with this matter in a Public Bill and endeavoured to get a Second Reading for it under the Ten Minutes Rule ?

MR SPEAKER : That may be the case.

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THE SPEAKER'S RULING

Some Press Comments

IT is very unfortunate that this very proper desire of the L.C.C. to levy a rate on site values in the metropolis has received a check. The propertied interests which are so well represented in this Parliament were preparing a formidable attack on the Bill, and its passage would have been very doubtful. Nevertheless, the L.C.C. has an excellent case and we hope that its proposal will soon be revived through some other procedure.—*News Chronicle*, 10th February.

The Speaker's ruling on the London County Council's Bill for the rating of site values brings out an inflexible element in our system of Parliamentary government. Because a measure "raises questions of public policy of great importance and affects interests of vast magnitude" (in the Speaker's view) it cannot be promoted as a Private Bill and must be taken as a Public Bill. And since the opportunities for the promotion of Public Bills are limited and since there is even the possibility (on which the Speaker declined a ruling) that it might only be possible to deal with the subject through a Government measure, it will be seen that our greatest local governing authority is virtually debarred from testing the opinion of Parliament on a reform of the first moment. The Speaker's ruling is final, and although Mr Herbert Morrison, for the County Council, was able to point to many far-reaching changes recently carried through by Private Bill, the argument cannot be pursued. It is regrettable, because an experiment in the rating of land would be extraordinarily valuable, and there is no area in which it could be more properly carried out than London. Now it appears that no experiment in broadening the financial basis of local government and amending our unsatisfactory rating system is possible, much as the elected bodies and the electorate of an area may desire it, unless the Government of the day assumes the initiative. A method of local finance that has been advocated for forty years (the London County Council's first Bill on it was in 1901) and is widely adopted abroad is pushed back indefinitely.—*Manchester Guardian*, 10th February.

London and Parliament are again in opposite camps, and, from the respective edifices on either side of Westminster Bridge, schemes and counter-schemes are being hatched. Yesterday the Speaker ruled the L.C.C. Rating Bill out of order on the grounds that such an important matter could not be introduced as a Private Bill.

Thus ends, for the moment, one of the biggest campaigns for years. Both Labour and the Tories have been distributing leaflets and covering the hoardings with huge posters for and against the Bill, which seeks to levy a rate of 2s. in the £ on site values, thus making land, as well as buildings, pay its quota of rates. It is claimed that as a result of such a sharing of the burden, the ordinary ratepayer would pay less.

There was some surprise that the Tories led by Mr H. G. Williams resorted to tactics of procedure and standing orders to kill the Bill when they were practically certain of defeating it on a vote. The reason obviously is that they did not want the electoral embarrassment of voting against a Bill that is popular with London ratepayers, but conflicts with Tory policy which London has rejected.

For more than thirty years the rating of site values has been a matter of keen feeling in London, when men like John Lewis, of Oxford Street, led the demand. Now, when there seemed a possibility of success, Parliament has once again flouted the will of London.—*The Star*, 9th February.