

## SCOTLAND AND THE RATE RELIEF

### The Government Scheme criticized by Mr James Scott, S.S.C.

In a series of letters to the *North British Agriculturist* of 16th, 23rd and 30th August, Mr James Scott, S.S.C., Secretary of the Scottish Smallholders Organization Society, made a detailed examination of the Government's "de-rating" schemes, particularly as it affects Scotland.

We give some extracts from this lengthy and informing statement, while congratulating the writer on his very able criticism. The scheme is condemned by the new burden it imposes on industry through the petrol tax; by its favouritism in giving relief to selected ratepayers at public expense; by its blow to local self-government; and by its unconditional gift of public money to landowners.

The Petrol Tax of 4d. per gallon, Mr Scott says, is being mainly paid by the masses of people who use motor conveyances. It is estimated that a motor bus will have to pay £80 extra annually for petrol. Ultimately, this sum will be passed on to and paid by the users of the bus—the general public—in higher fares. The tax is a tax on motor transport and industry, and fares are already being raised in many parts of the country. Petrol tickets, showing excess charge for petrol, are used, for example, by a company owning 300 buses serving four counties. The tax will be permanent, because upon it depends the de-rating scheme involving an expenditure of £29,000,000.

The Government scheme does nothing to lift the crushing load of taxation; it only shifts the load partly from the ratepayers to the taxpayers.

Local authorities will have an interest to get the Petrol Tax made permanent, as being the main source from which they are recouped for loss of rates. This vested interest is vicious in principle.

By relief of rates, without any tax on land values being imposed, landlords will be able to charge higher rents or feuing rates, and the relief will therefore operate as a subsidy or dole to landlords; the monopoly value of land will be increased and inflated, and thus bear more heavily on Industry ultimately.

Shops, offices and dwelling houses will get no relief. Householders are to get no benefit, and in many cases their rates will be raised under the scheme of rearrangement of Rating Authorities.

The de-rating scheme is being made the occasion or the excuse by the Government for such an orgy of annihilation of public bodies as no Government has ever before even dreamt of. It is proposed to abolish all Parish Councils, Education Authorities, District Committees and District Boards of Control and to truncate all the Town Councils in burghs under 20,000 inhabitants. The scheme is a crushing blow to self-government.

It is not necessary to scrap Parish Councils and Education Authorities and emasculate Town Councils merely because anomalies and overlapping exist. The correct course is to remove the anomalies and overlapping, and that course is quite practicable.

Education Authorities constituted only ten years ago are only now settling down to the new problems with which they have power to deal, and these do not invade the province of the Town Councils or the County Councils. The Education Authorities have made great progress in carrying out the duties conferred upon them by the 1918 Act, and Education in Scotland holds a premier place, compared to England, largely owing to the splendid work done by the old School Boards

and the Education Authorities.

The Government scheme offers no general reduction of rates, yet the whole Poor Law and educational machinery is to be scrapped and Town Councils emasculated, merely to enable certain industries, the railways, and agricultural land, to escape payment of rates.

It cannot be proved that County Councils will act better than the present Authorities. On the contrary, there are strong reasons for believing they could not do as well. County Councils are largely controlled by landowners, factors and large farmers, and—to put it mildly—these Councils have not shown themselves to be among the most progressive of bodies. On the contrary, they are solidly protective of the landed interests.

With regard to the de-rating of agricultural land and buildings (apart from dwelling houses and farm servants' houses), these subjects will, in future, be rated only on one-sixth of the gross annual value.

There is no doubt whatever that landowners are thus invited and expected to raise rents so as to meet the one-half of rates relief which they would, to begin with, have to pay over to the tenants. Not only so, but the relief proposed to be given direct to the tenants will gradually be absorbed in increased rents, and accordingly the whole relief will, in reality, be a subsidy to the landowners and go into their pockets.

Every day vast wealth is being realized or amassed by owners of ground through the enterprise, development or necessities of the community and passes into their pockets largely unearned and untaxed. Owing to this land monopoly, many factories, works, shops and other business premises are rented at sums under which businesses are staggering or fall; land can be feued or purchased only at exorbitant rates; and much land is being withheld from public use until it "matures." The wealth thus accumulating in the hands of the owners of ground ought not, in justice, longer to escape taxation and a tax on these land values should be imposed in Britain as has been done in America, Australia, Denmark and elsewhere with beneficial results. If this fundamental reform were carried, factories, business premises, dwelling houses and all other improvements on land would be gradually relieved from rates which would be transferred to the owners of the ground and many of our rating problems would disappear.

If agricultural land is to be entirely exempt from rates and taxes, allotment cultivators who already pay on a much higher scale than the farmer, will have to pay still more. If producing trades are to be exempt from rates on their factories, then the levy on houses and the distributing trades will be increased. Surely it is obvious that the purchasing power of a very large section of the people will be lessened.—JABEZ CRABTREE in the *Keighley News*.

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"The distinction between monopolising natural resources and what one produces is so blurred that taxes raised by imposts upon the monopoly values of land seem to be discriminations against a form of legitimate property, if not imposed also upon other property. This confusion must be straightened out in the popular mind before much else can be done. . . . As long as natural resources and artificial productions are confused in one term, capital, the contest will probably be between capitalism and socialism, both of which ignore the primary law of social and business life."—LOUIS F. POST.