

"The Rating and Valuation Association is now about to conduct the first survey of its kind in this country (based on Whitstable, Kent) and it will be instructive to see whether the evidence shows, as one would suspect, that this method of calculating rates would be a form of medicine rather worse than the disease."

Mr. Freeman ought to study the rating of site values more closely; he would then realise that it would further the aims of industry far more than switching the rate burden on to national taxation — which industry would have to bear in the long run anyway.

FOLLOW MY LEADER

THE AUTHOR of the booklet *Relief for Ratepayers* succeeds no better than his contemporaries in making an objective and independent assessment of the rating of site values.

The booklet (Hobart Paper No. 20, 6s.), is published by The Institute of Economic Affairs and is written by Mr. A. R. Ilersic, Lecturer in Social Statistics, University of London.

Eight pages are devoted to the chapter "Alternative Sources of Revenue," which are: (1) assigned revenues, (2) rating of site values (disposed of in three-quarters of a page), and (3) local income tax. None of these is acceptable to the author. Instead, he proposes the elimination of selective reliefs, including that on agricultural land.

The Secretary of the United Committee wrote to the Director of the Institute, Mr. Ralph Harris, and to members of the advisory council, one of whom is Professor Colin Clark, commenting on the statements made by Mr. Ilersic regarding site-value rating.

The letter made the following points:

1. The rating of site values is not advocated as an *additional* source of revenue, but as an *alternative* source.

2. The Lloyd George Act was *not* the rating of site values. It imposed duties of a different nature, and was not at all to be compared with the 1938 L.C.C. Bill.

3. The statement in the booklet that "the notion underlying site-value rating is that the ratepayer's contribution to the rates is determined not by the value of the building but by the value of the land upon which it stands" is misleading. Under the rating of site values only the *free-holder* and those who enjoy indirectly the rent of land through a long lease with a fixed low rental would contribute to the rates. People with no direct or indirect holding in land *would pay no rates*.

4. It should be self-evident that valuing sites alone is much easier than valuing every individual building. "Serious difficulties" of administration are purely imaginary.

5. The author's worst error is contained in his reference to the 1947 Town and Country Planning Act, where he suggests that the development charges were a tax on land. The simple fact is that the development charges were a charge on the *use* of land — taxes on development. Not by any stretch of the imagination could the development

charge be regarded as a site-value tax or increment tax on land.

The trouble with writers on the subject of site-value rating is that they all read each other — never doing any original thinking or taking the trouble to verify their facts.

In correspondence with the Secretary, Professor Colin Clark said that he was entirely in favour of the taxation of site values, and that he would do his best to keep the issue alive in academic circles.

The United Committee's reply to the Report of the Working Party of the County Councils Association was sent to County Councils, county newspapers and the national Press.

"ANOTHER LOOK AT LAND"

AN IMPORTANT SERIES of three articles under the above title recently appeared in *Building Industry News*. The author, John Spencer, who, incidentally, is quite unknown to us, presents the case for the taxation of land values on three full pages, with photographs. The *Building Industry News* is a trade journal which, though less than a year old, already claims a wide readership among builders, surveyors, architects, local government officers and others engaged or concerned in the development of land.

Referring to the measures which have been taken in the past, and those that are proposed by various bodies of opinion today, Mr. Spencer says: "Conservative policy on land is *laissez-faire*, based on the false notion that the present market operates in free conditions. Restrictions arising from enclosure in fact inflate land values, distort the market, and give rise to ideas of limited resources, fixed capacity, and the need for priorities. Releasing small amounts of land ensures that the maximum price obtains in a scarcity market, where supply is far less than demand. Releasing land does not restrain prices, which inevitably soar as active development increases, population grows, and space and living standards rise."

On the other hand, "The defects of Labour policy are those of interference, restriction, disruption, distortion, delay and compulsion, which the work of a Land Commission would seem to envisage. While part of the development value of land would go to the community, the price of land could scarcely be less where there are few willing sellers. It lets the baby out with the bath water."

Mr. Spencer's argument for land-value taxation is summed up in this paragraph: "Subsidies are merely a means of returning to the taxpayer something of his earnings already paid in tax. Instead of paying (from the same person's rate contribution) for compulsory acquisition for public ownership and re-leasing, all that is necessary is to

declare that all land belongs to the nation, and the privilege of its use should be fully paid for."

In the second article, Mr. Spencer reiterates the plight of the homeless and the unemployed, and the frustration of home seekers, builders and local authorities in the face of the ever-rising price of land and its limited availability "... reflected in the cost of buildings and the rents demanded."

"Clearly," says Mr. Spencer, "the rising cost of land is an index of the rising activity of the community. Its development value is enhanced by its limited availability." But, he asks, "What could be more penal than the price of land today, and what more sterile than industrial and housing potential unrealised through lack of building land? The land is there, but it is in private ownership. There is no law to ensure that the use of private property is consistent with the public interest ... it is the fruits of labour, the purchasing power of the many, and not the unearned rewards of idleness, which are taxed today ... Does not every man born free have roots in the soil? A natural birthright of access to land, upon which life and livelihood depend, on equal terms with any other? Is he not entitled to the full reward of his labour?"

These questions are more than rhetorical; they represent the old but renewed and vigorous appeal for justice and common sense.

"Land reform," says Mr. Spencer in his final article, "is a hot potato. What, then, will the building industry get from it? How might the results of a 'new deal' affect our existing institutions, habits and attitudes?" He then proceeds to do the natural thing; to explain how each professional institution would benefit from land reform — architects, property developers, estate agents, surveyors, planners and so on, having already explained well enough how the community in general would benefit.

We hope we shall hear more from Mr. Spencer, and that his articles will be read and discussed by those who can bring their influence to bear on the political policy makers.

A CONSERVATIVE SPEAKS

PARTY POLITICAL PROPAGANDA is not usually very inspiring — we have heard it all before — but now and again there is an exception.

A speech which gained remarkably little publicity was made by the Rt. Hon. Enoch Powell, M.P., Minister of Health, in July last. He did not speak of land reform or of free trade, but he did speak of individual liberty. This was a speech in the true liberal tradition — the kind of speech we should be hearing from Liberal Party leaders.

At a time when political differences are ceasing to be differences of principle; in an age when state intervention in the economic and social lives of the people is almost taken for granted, it is encouraging to hear the voice of a Minister speak out boldly and uncompromisingly in defence of the individual against the state.

Extracts from his speech, under the title "Faith in the Individual" appear on page 124.

LIFE AND LAND

WE ARE ALL FAMILIAR with the American "size complex;" we are forever becoming more closely associated with it. King Size, Family Size, Economy Size, and Jumbo Size are but a few scant additions to our descriptive vocabulary which have American origins. American newspapers have always been a subject of ridicule to foreign visitors who have neither the required strength of wrist nor the familiarity with the layout to get to grips with the news, which is often hidden between advertisements, short stories, features and the comic section. A recent edition of *Life International*, described as a Special Double Issue, and containing 180 pages (including advertisements) was entitled "The Land" — a title to attract the interest of anyone familiar with the work of Henry George. The magazine traces the history of the earth from its earliest form, and examines the mountains, the forests, the deserts, the poles, and man's achievements. It is beautifully illustrated with dramatic and colourful photographs. It would be impossible to read it without being impressed by the sheer beauty of nature, the infinite variety of the natural species and the courage of man. Yet throughout the 180 pages there is no mention of rights to use or enjoy the glories it presents.

The story of man's conquest of the mountains, the oceans and the desert is impressive. The ability of man to adapt himself to extremes of temperature and altitude is amazing. The Andean Indians develop tremendous lungs and have 20 per cent more blood than normal men to help them overcome the lack of oxygen at the height at which they live. As population increases so does man's ability to adapt himself and his labour to match his environment. "There is an increase in the value and importance of every natural resource. Products of the earth which were not used and needed a century ago are being pressed into service today to meet growing demands ... this trend will be accentuated. There are no longer any 'waste' spaces on earth."

To have made this statement and then to have left it without questioning the rights of monopolists of natural resources is a pity. Again, to use the words of one of the writers: "Man is the most adaptable animal on earth" — so adaptable in fact, that he has adapted himself to live without questioning the validity and consequences of the private ownership of land.

Unconcerned

A FARMER paid £50 an acre for 70 acres of land eighteen months ago and he can now sell for £1,000 an acre, reports the *Sunday Mirror*, July 14. A spokesman at County Hall, Northallerton, commented "We are not concerned with how much the land cost or was sold for."