set up a joint working party to promote the research necessary to provide a firm statistical and factual basis and to formulate positive land policy.

If such a working party is set up, then the economic and moral implications of land-value taxation, together with its implications for town planning, should have a firm place on the agenda. Any discussion on land policy that does not include consideration of land-value taxation can only be, as our Danish friends well know, akin to a performance of Hamlet without the Prince.

The United Committee was represented at the Conference by Messrs. V. H. Blundell, J. V. Kemp and P. R. Hudson, all of whom participated in the discussions, making good what they saw as important omissions.

NEWS AND COMMENT

BINGO, BETTING, BICYCLES, BETTERMENT

FOLLOWING the report of the Rating Committee of the Association of Municipal Corporations (reported in last month's LAND & LIBERTY), comes a report from its general purposes committee.

The general conclusion of the report is that there is no alternative to rating as the principle source of local government revenue and that any extra money must come from the central government out of general taxation.

A tax on bingo, fruit machines, gambling clubs, betting shops and lotteries is worth exploring, says the report. A congestion levy on vehicles, an advertising display tax and a tax on restaurant meals and hotel accommodation would offer most scope for increased revenue, but the committee has doubts about the viability of any of these proposals.

A tax on bicycles and a local entertainment tax are rejected, but it was considered that the taxation of land values or a levy on development rights could be further examined.

This latter point, that further investigation of site-value rating is needed, was also made in the course of three articles by David McKie in the *Northern Echo*. "He (Mr. Crossman, Minister of Housing and Local Government) could, of course, earn some useful credit with the Liberals by agreeing to an official enquiry into site-value rating. Such an enquiry is needed" said Mr. McKie.

The pity of it is that although the Minister considers the Whitstable survey sufficient evidence on which to reject site-value rating, possible advocates do not consider the survey sufficient evidence for them to come out in support. If pressure of interested opinion was strong enough to force the Government to make further pilot valuations these people might feel able to come off the fence.

Although it is encouraging to note the glances in the right direction, it is disappointing to observe the complete absence of any principle in arriving at this mixed bag of bingo, betting, bicycles and betterment as suggestions for new sources of local revenue.

Before advocating the imposition of fresh burdens on ratepayers and before acquiescing in the present system it would be well if would-be rate reformers took a straight look at the *principles* of site-value rating. The vast expenditure of public money on the improvement and maintenance of public services and amenities are paid for twice by the hapless ratepayer — first in his rates and secondly in the price he must pay for the occupation and use of land, the value of which is maintained and enhanced by the public expenditure of *his* money. Once is enough.

WEAK BLOW AT LAND SPECULATION

THE outline details of a vast French regional plan have recently been described by M. Phillippe Lamour, Chairman and Director-General of the Compagnie Nationale d'Aménagement du Bas-Rhône—Languedoc.*

In 1953 the French central economic planning authority was commissioned to draw up a regional plan for the development of the Languedoc coastal area, a Mediterranean sea front with about 135 kilometres of safe, sandy beaches situated between the two congested but thriving holiday venues of the Costa Brava and the Côte d'Azur. With an eye on the future demand for holiday centres which will gather force as the century advances, and on the need to promote higher agricultural outputs, industrial expansion and efficient land use, plans have been evolved to invest funds in a basic infrastructure of public improvements.

To bring the Languedoc region forward ready to receive a greater part of national growth, the basic improvement projects consist of new adequate water supplies through irrigation schemes, a major effort at mosquito control, improvements in the lagoons, programmed afforestation and road schemes.

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*"Development Plan for Mediterranean Coast of France," *O.E.C.D. Observer*, October, 1965.

In an endeavour to guard against land speculation, 2,300 hectares of land ear-marked for development were acquired by the state before the plan was publicised. Another 1,400 hectares are still to be purchased. The Local Development Corporations will provide the services before the land is released for development. It is here that the French thinking seems to have gone wildly adrift. After declaring that "land speculation will not be tolerated," M. Lamour stated that: "The land will eventually be sold to building promoters—entrepreneurs who will finance hotels, shops, blocks of flats, chalets, camping sites and so on. These promoters may either let the properties or sell them for letting. It will not be possible to purchase land for resale at a higher price when main services have been provided with the support of state and local authorities."

It would seem from this that the French authorities consider that only land "speculation" (i.e. land purchased before, and sold after, public improvement) should receive special attention. In taking this very narrow view, the major issues of returns from land ownership are completely lost. It is clear that for many years after the completion of the public works, site rent returns will continue to increase and will disappear once more into private pockets. Having taken the step of acquiring the land, it would surely be of greater benefit to the French nation if the sites to be developed were let on long leases, with rent revision clauses. An even better solution would have been to tax land rent from the beginning of the project, thus building up a continuous Development Fund for further improvements.

The merits and demerits of large-scale state investment schemes such as this can be debated at great length. Where, however, they are carried out and ultimately lead to increases in personal wealth by virtue of monopoly advantage or ability to purchase monopoly advantage, there is every need for the strongest criticism.

Ducks and Drakes in U.S. Farming

WOODROW WILLIAMS REPORTS

THE UNITED STATES is enjoying a rather exuberant "boom" at present, and this has been reflected in fairly good prices for farmers — especially for hogs and cattle. Even grain prices are fairly good, in spite of the fact that government price supports have been generally reduced. I have no idea how long this "boom" will last but I suspect that it will slacken somewhat by the end of the year. The tax reduction of 1964 sparked the boom (and some more inflation) and now another tax cut is pushing it along — but at the expense of more inflation I suspect.

Every month my farm magazines comment on the pending new farm legislation at Washington. As near as I can see the trend is away from a high "loan" support and towards a direct subsidy. This is in operation with corn and wheat now — and has been used for ten years or more with wool and sugar beets. Since we are importers of wool and sugar, there are no restrictions on acreage of beets or flocks of sheep. But corn and wheat are in "surplus," so only those farmers who reduce their acreage to a certain "allotment" are eligible for the "production payment."

The payment is made to the farmer at a rate of cents equal to the difference between the "loan" rate (cash loaned by the government in lieu of future sales while corn and wheat is stored) and the "support level." Both loan and payment are limited to what is called a "normal yield." This yield is determined for each farm. The idea is to circumvent the practice of intense fertilization of the allotted acreage, which tends to defeat the aim of reducing production. Any surplus over this normal yield must be disposed of at the market price. Since the loan rate is usually below the regular market price, very little grain is now going into government storage — which is perhaps the brightest part of the whole scheme. Nevertheless, there is considerable wheat in storage.

Here is an hypothetical example of this support system: If a farmer has a normal yield of thirty bushels of wheat, and an allotment of twenty acres, he will be paid the direct subsidy of 20 cents per bushel on 600 bushels at about $1.25—this varies according to location from the seaboard. Now, if he fertilises heavily, and raises forty-five bushels per acre, he must sell the fifteen bushels per acre on the "open" market. This has been holding somewhat above the loan rate, but, of course, quite a bit below the loan plus direct payment. In the above example the support would be $1.45. There is some talk of raising this part of the support and financing it by a tax on the millers. Some claim this would be a "bread tax," but proponents claim it would raise bread no more than a fraction of a cent!