

this case the landowners—whose unfair privileges are being attacked.

Site-value rating is no new-fangled idea. It has worked perfectly for years in great cities in Australia, New Zealand, Denmark and elsewhere.

The Conservative Government may try to block this reform on the pretext that the principle of site rating should be settled nationally.

Don't be bluffed. If the principle is right for London, and if London's government, with the support of its people, asks for its application, Parliament should not say "No."

**REMEMBER!** If the L.C.C.'s proposal for fairer rating goes through, the L.C.C. rate levied on the general body of ratepayers will be less than it would otherwise be.

#### RATES OFF HOUSES AND ON LAND

The other leaflet issued by the London Labour Party was a one-page sheet and read:—

#### THE RATING OF SITE VALUES AND THE SMALL HOUSE-OWNER

*Question.*—How will it affect the small man who owns his house or is buying it through a building society?

*Answer.*—He will benefit.

*Why.*—Big landowners will pay most of the rate on site values. This rate will mean an increase in the Council's income and so a reduction in the "general" rate. The small house-owner, while paying a small sum on his land, will save much more on the "general" rate levied on house and land together (the house being worth much more than the land). Big landowners pay; small house-owners and tenants benefit.

*Example.*—Suppose the house is assessed at £30 and the annual value of the land is £6. A rate of 2s. in the £ on the site value would mean a payment of 12s. a year, but if the "general" rates were reduced or prevented from rising by, say, 1s. in the £, then the small owner would save 30s. on his "general" rate. Thus he would be in pocket by 18s. a year.

The rate on site values would, therefore, help the small house-owner, and at the same time secure a fair payment from the big landowner and the property companies who profit by public expenditure out of the rates, but at present make little, if any, contribution.

*Moral.*—Don't let the big landowners and land speculators use the small house-owner as a smoke screen to "mask" their own selfish interests. Support the L.C.C. proposals. Make vested interests pay a fair share.

#### WRITE TO YOUR M.P. ABOUT IT

3d. THE LONDON COUNTY COUNCIL AND SITE VALUE RATING. Debates on the Bill and discussion in the Press.

## SCOTTISH SMALLHOLDERS MENACED

THE REPORT on Land Settlement in Scotland (Cmd. 6577) of a committee appointed by the Secretary of State for Scotland deserves serious attention. Except for Mr. James Dunlop, who signs a Note of Dissent, the committee propose to abandon all the distinctive features of Scottish legislation with regard to small holdings and to adopt the methods which are applied in England.

The first Statute dealing with this matter was the Crofters Act, 1886. It was the result of a long struggle which had gone on with varying intensity ever since the time of the ill-famed Highland Clearances. The main achievements of this Act, which applied only to the north-western counties, and to holdings of under £30 annual value, were: (1) To give the holders security of tenure; (2) at a rent which could be periodically revised by a judicial tribunal; (3) the rent not to take account of any improvements erected by the holders or their predecessors. These provisions had the important consequence that crofters were not rated upon the improvements made by themselves, because the value of these improvements was not included in the rent, and although they had security of tenure they were deemed to be tenants for less than 21 years, and must, under the Lands Valuation (Scotland) Act, 1854, be rated on the rent actually paid.

The crofters thus obtained conditions enabling and encouraging them to develop their holdings. They were not penalised either by higher rent or higher rates if they made improvements, nor did they risk eviction and confiscation of their improvements, for they had security of tenure so long as they paid the stipulated rent and did not commit waste to the holding.

These great advantages were, with some slight changes, extended to the whole of Scotland, and applied to holdings of less than either 50 acres or £50 rent by the Small Landholders (Scotland) Act, 1911.

In 1895 an Act amending the valuation Act of 1854 was passed to enable structural improvements, which could not be rated because they were not included in the rent of the land, to be separately assessed and rated by a separate entry in the valuation roll. This Act, however, exempted structural improvements and erections "made or acquired for agricultural purposes by the lessee of subjects wholly or mainly agricultural," and by virtue of this the improvements of crofters continued to be free from rating. The Act of 1911 applied this provision to landholders, the name then applied to crofters and to those brought under the wider provisions of that Act. Thus the position continued until 1937, when attempts were made to assess dwelling houses of small landholders who were engaged in fishing or other industries, or let their houses to others, the ground being that these houses were not used for agricultural

purposes. In 1938 the Lands Valuation Appeal Court decided that crofters or small landholders were not liable to be rated on dwelling houses which they had erected on their holdings if they occupied the houses themselves. In other cases it seems that they may be rated on their houses.

The establishment of the crofters' and latterly of the small landholders' tenure did not create new holdings, but simply protected existing holdings. There were, however, provisions in the Crofters' Acts for enlargement of uneconomic holdings, and in the Small Landholders Act for creation of new holdings on private estates. In each case the land was rented from the owner without State purchase. Under these provisions there have been 2,249 new holdings and 2,698 enlargements, mostly in the Highlands.

Under other statutes powers were given for State acquisition of land to be let to smallholders. Under these, 2,975 new holdings have been formed and 448 enlargements. Up till 1926 all new holdings formed on land purchased by the State were let on landholder's tenure, that is to say, at a rent for the land alone, the improvements being paid for by a loan to the landholder so becoming his property for which he was entitled to compensation if he left the holding. Since then new holdings have been let at a rent which covers both land and improvements.

This change of policy involves both the expenditure of public money upon land purchase and the liability of improvements for rating. In both respects it is mistaken. The present report proposes that all the legislative powers for the establishment of small holdings on private lands should be repealed, and that all new holdings should be established on land acquired by the State "preferably by outright purchase." If this were done the change of policy commenced in 1926 would be made statutory. The present moment is, in any case, the worst which could be chosen for such a change, even if the change had any intrinsic merit. The price of land is now swollen exorbitantly because of the circumstances of the war, and the extremely high level of prices for agricultural products. New small holdings will, therefore, be created under the most unfavourable conditions. If, as is almost inevitable, prices fall, any abatement of rent granted to the new smallholders will be at the expense of the public purse and paid by the taxpayer. On the other hand, if new holdings were formed in the wise fashion initiated by the Crofters' Act, and continued by the Act of 1911, on private land rented from the landowner, adjustments of rent could be made from time to time as the circumstances warranted without cost to the public.

It may indeed be true that the number of new holdings formed under crofters' or landholders' tenure has not been large

enough to satisfy the demand for small holdings. That indicates the need, not for an abandonment of the policy, but for strengthening the legislation and operating it with more vigour. In addition, the service done by these Acts in maintaining existing smallholdings in existence is often overlooked. Two-thirds (49,003 out of 74,017) of the agricultural holdings in Scotland are between 1 and 50 acres in extent.

The position has been complicated by de-rating, which has relieved agricultural land as well as the buildings and improvements of seven-eighths of the rates at the expense of imposing heavier general taxation and heavier rates upon land and improvements used for non-agricultural purposes.

All this legislation, which was introduced under Conservative governments for the benefit of agricultural landlords should be swept away. All land should be rated upon the land value. All buildings and improvements should be free from rating. New holdings should be formed by the compulsory leasing of land from landlords, and no public money should be spent upon buying them out.

### JAMAICA

THE AMERICAN news-sheet, *Worldover Press*, November 29, quotes its Kingston, Jamaica, correspondent:—

"When bauxite, the mineral from which aluminium is made, was discovered two years ago in Jamaica, there was much excitement. But few facts became known to the people of the island or to the outside world. Quietly, representatives of a Canadian firm, called Bauxite Company of Jamaica, went through the countryside, buying up large tracts of land without divulging the exact extent of their holdings or acquisitions. Land means everything to the Jamaican, for industries are few and the population tremendous. Whatever the size of the land purchases, they were substantial enough to cause no slight alarm among many Jamaicans. Now they are discovering that the Canadian firm is a subsidiary of the Aluminium Company of Canada, which is owned in actuality by the Aluminium Company of America (Alcoa).

"The bauxite properties, described by metallurgists as 'one of the important world sources,' are expected to provide fat revenues for the company and for the sole rival concern, Reynolds Mining Corporation, of Richmond, Virginia, which also has holdings. While it is asserted that Alcoa intends to promote scientific farming to offset the loss of land taken away, native public opinion is profoundly disturbed by its inability to get straight facts, either from the companies or the colonial government, on which to base a judgment of the economic portents for the people."

The proposals of the recent Jamaica Government Commission in favour of Land Value Taxation will, if given effect, take charge of this state of affairs.

## "RICH MAN, POOR MAN"

HOW PROGRESSIVE thought and ideals can be misconstrued is illustrated in the Foreword, by Sir William Beveridge, to a new book entitled *Rich Man, Poor Man*, by the late Professor John Hilton (Allen and Unwin, 7s. 6d.), this being the Halley Stewart Lecture of 1938.

The subject of the book is the maldistribution of wealth in this country, which *Land & Liberty* has often drawn attention to in its summaries of the annual reports of the Inland Revenue Commissioners. John Hilton draws his evidence from the work of two specialists, Professors Daniels and Campion, of the Manchester and Oxford Universities. The statistics relate to the conditions of 1936-38. The main fact, which John Hilton illustrates in lively fashion, is that out of 12 million families, only 4 million families are worth all told more than £100; that another 4 million families are worth between a couple of pounds and £100; and the remaining 4 million families live from hand to mouth, owning no more than they stand up in.

After discussing the evidence for this glaring fact, and its supposed causes, the author refers to the basic assumption underlying the present fashion for social security, whether Beveridge or some other scheme. "It has been put to me so often," says Hilton, "I feel I must believe it, that what our millions want above all else is security against destitution in the event of a mishap." This, of course, is the modern belief of all parties; it is said so often to us all, that everybody believes it.

Sir William Beveridge picks this passage out in his Foreword, and seems to claim it as leading directly to his own Social Security scheme. He says that Hilton's statement is authoritative, and, written as it was in 1938, was confirmed by the "amazing popular response" in 1941 to the Beveridge Report.

But Hilton follows up his own statement (on page 155) by saying: "Yet I am not wholly convinced. Greater security, certainly. I have pleaded for it in previous chapters. Accident, sickness, and unemployment are public concerns and ought never to be tolerated as private visitations. But I beg leave to doubt whether peace of mind and social health can ever come from mere security against destitution. We should strive, also, if we are to have personal happiness and social health, for a state of affairs in which the typical family has sums of its own with which to further its own fancies and fortune, and from which to learn something of the technique of firmly holding and wisely using personal property."

Sir W. Beveridge thinks this is "nearly as important" as the preceding quotation, and more surprisingly still, claims that the fact that his scheme has no provision for a Means Test, meets the condition that Hilton has in mind, and will

leave to the individual incentive and initiative to add for himself to the minimum provided by the State. "It"—the absence of a means test—"is a condition of leaving him responsibility and freedom in planning his own life."

One wonders if this is all that Hilton did mean. The whole point of his book is the fundamental and grotesque disproportion in the distribution of wealth, and the great criticism of all the popular social security plans is that they have no sort of conception of any basic change in that maldistribution. The only thing one can say is that these schemes may make a redistribution of poverty, but wealth and property will continue to be divided in much the same unequal and unjust shares.

*Rich Man, Poor Man* quotes Campion's estimate of £20,000 millions as the total of property in private hands in 1936, and shows that this, if equally divided, would provide £1,500 per family, so that there is enough private wealth produced apart from publicly owned property. "The master figure," says Hilton, "is the proportion of those over 25 who, if they sold up all they have in the world, cashed in all their savings, paid their debts, and counted up the net balance of their worldly wealth, would turn out to be worth £100 or more." He shows that these number only 25 per cent. of the population, the remaining 75 per cent. having less than £100 to their name.

When income instead of property is considered, we learn that 11,500,000 persons had incomes in 1936 of less than £2 10s. per week, the average being £2. They are two-thirds of all the income-receiving population; they receive one-third of the aggregate income. Pensioners and unemployed not included. There were another 5 millions within the range of £2 10s. and £5 per week (average £4), and these are income rates before taxation.

Hilton disposes of the idea that the huge numerical totals of "Small Savings" can be set over against the above facts. They are shown to be deceptive as indices to the real sharing of wealth or property. In addition, Hilton, far from swallowing the social security creed, has this to say: "Not one of our social services represents the *actuality* of private means, in the sense that a lump sum of money is available to the insured person. . . . Our social services cover a good deal—but not that. They are one and all weekly dribbles to the necessitous given out on the avowed or tacit assumption that he or she has little or nothing in hand—and can hardly be expected to have anything in hand—to meet any emergency." This is poor support for Beveridgism, with or without a Means Test.

This book is valuable as a social record in popular form. But it shows no