

THE BURDEN OF RATES

By Sir Alfred Mond, M.P.

There was published last month a book entitled *Industry and Politics** by the Right Hon. Sir Alfred Mond, M.P., being a series of speeches and papers on various phases of economic, industrial, political and social problems delivered or prepared by him on various occasions.

The following passage, with title as given above, appears on pp. 55-56 in the chapter on Trade, Currency, Industry and Unemployment, which is based on speeches delivered in October, 1925.

"I remember very well when I was Minister of Health receiving a deputation, a very influential body of steel-makers from Sheffield. They pointed out to me what their position was: their industry was depressed, and there was great unemployment in Sheffield. What happened? The great unemployment led to a rise in the poor-rate. The rise in the poor-rate led to an increase in their burdens, and in the cost of steel. At the moment when they wanted to be able to sell cheaper, the system of rating was adding to their cost of production, and making it impossible for them to carry on business at all. In fact, in many cases it was cheaper for them to shut down and not operate the works at all, in order to escape the rates, than to operate the works part time. That does not seem a sensible system of levying your local taxation—a system by which you depress enterprise, tax activity and subsidize inactivity, and assist those who are doing nothing.

"Again, a small circle drawn around a small area is really quite a wrong way of dealing with a large national question of this kind. The poor-rate system of Queen Elizabeth was never meant to deal with a great industrial crisis. It is because you try to make it do so that you get all these fantastic and absurd, even criminal conditions, holding down the very industries which most want to be assisted. I am more convinced than ever that it is high time our rating system should be reformed. It is high time, indeed, that those whose landed property continues, has continued, and will continue—whether trade be good or bad—in the long run to gain in value by doing nothing—that these should bear their fair and proportionate part of local taxation. Take your rate off improvements, and put it where it ought to be, and you will see in that alone a share of the revival of the trade of this country. Why, in America or Canada, if I want to put up a factory, the first thing the local authority will do will be to exempt me probably for ten years from all taxation, but here, as soon as you add another shed to your works, the first thing you find is the rate collector coming round."

Sir Alfred Mond joined the Conservatives in January, 1926. In reprinting this declaration he shows he has not abandoned all the beliefs he formerly avowed. It is well to have this quotation to submit for the consideration of other Conservatives, although it is by no means the best of the many statements Sir Alfred has made on the subject; for in his "unregenerate days," as a Radical in the Liberal camp, he was foremost among the advocates of Land Value Taxation and one of the leading members of the Land Values Parliamentary Group. Now that the Group has got busy again, under the energetic chairmanship of Col. Wedgwood, is there not here a recruit to be enrolled?

A. W. M.

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