

the case, any surplus in the Rate Fund could be used for other forms of tax relief. Alternatively, the Treasury could fix the rate percentage to be levied at the level required to raise just sufficient money for local government purposes. To my mind, this would be regrettable, but we should consider proposals in the light of existing and accepted patterns of thought, difficult though this may be. While a revolution in thought would produce the "just" solution, it is unlikely to be brought about overnight.

Let us examine the problem again from the assumption that even at 100 per cent, site-value rating would yield insufficient revenue for all local government expenditure. It has been suggested that it would be possible to tax land values more than 100 per cent. This, of course, would be completely contrary to the principle of site-value rating, for, having appropriated for the community all the land value, any additional revenue, though based on land values, would not be economic rent. It would be a direct tax on production. In Rent-theory such a rate of taxation would mean that production on the margin would become more rewarding than on land of higher productivity.

To illustrate this, let us suppose that at the margin of production the yield is ten units. On "20" land, Rent would be ten, and on "30" land it would be twenty. If the tax on Rent were levied at 150 per cent, the man on "20" land (Rent ten) would have to pay fifteen, i.e., 150 per cent of ten, so that he would be left with five, or half of what was obtainable at the margin, where no tax is payable. Similarly, the man on "30" land (Rent twenty) would have to pay thirty and would be much worse off than the man at the margin. The marginal land, which would not be taxed, would now have more value than both the "20" and "30" land!

Of course, if it is thought desirable to encourage development on marginal land, such a tax would achieve this. However, it would result in a ridiculous race for marginal land which would, of course, soon increase rapidly in value, thus qualifying for a tax, and then the race would start again! Clearly this would be "through the looking glass," and such an absurdity could never for a moment be considered.

If site-value rating at 100 per cent were insufficient for current expenditure the additional revenue would have to be found from some other source. Which source would be most desirable is very much a matter of personal choice and an extremely difficult one at that. In itself, however, this is no argument for *not* raising as much as possible by site-value rating. Perhaps the most forceful argument for this is that the effect of site-value rating at 100 per cent would be considerable. Idle and poorly developed sites would soon be brought into use and the housing problem would be attacked more energetically by private enterprise; this would greatly reduce the cost of municipal housing, at present carried by the rates, and relieve other welfare services which are in part made necessary by the housing shortage. This applies particularly to the children's service and the provisions for old people. Naturally, there would be a time-lag before the benefits became fully effective, but this again is no reason for not applying the tax.

## Method In Their Madness

By PETER TRACEY

**T**O KEEP WELL NOURISHED a man does not have to consciously control his digestion. All he needs to do is to eat the right food and let nature do the rest.

So it is with trade. Produce the goods the customers want but cannot produce so cheaply or effectively themselves, and trade will flow naturally and freely.

Our Government, however, has to have a "Board" of trade in order to consciously control the most natural thing in the world. When it succeeds in reaching trade agreements with other countries (a new five-year "trade arrangement" has just been agreed with Roumania) it regards it as "facilitating an increased flow of trade between the two countries."

### Slippery Estimates

Whether it is because the British people cannot tell Stork Margarine from butter or not, the Board of Trade miscalculated the butter requirements of the British consumer. "Shipments have fallen short of the quantities required . . ." A further 5,000 tons of butter may now come in, but only up to November 15.

Only "established" importers may apply for a licence — no muscling in by free-lance free-traders is to be allowed — and the importers must give evidence of a "firm offer."

### Statisticians On The Carpet

Having "provisionally estimated" the daily rate of manufacturers' sales by value of carpets, rugs, mats and matting, a Board of Trade press notice advises that its figures should be "interpreted with caution."

Apart from the fact that I don't give two hoots about carpet and matting sales, I can assure the Board that I treat all their figures with caution.

### The Protective Umbrella

A chance to see the Board of Trade at work is offered free of charge. A public enquiry is to be held at the Board of Trade offices on November 12. The item on the agenda is a vitally important one. The meeting will consider an application in respect of the marking of imported umbrellas, umbrella handles and other umbrella parts.

### Very Smooth Running

In the interests of smoother trade, the Board of Trade has issued a direction that exempts any imported ball bearing with a single split through the outer race at right angles to the path of the balls from having itself to bear an indication of origin, but requires that the indication be printed or stamped on the wrapper or container in which

(Continued on inside back cover)

## METHOD IN THEIR MADNESS

(Continued from page 161)

the bearing is imported, sold or exposed for sale, as the case may be.

### Hurry! Hurry!

Those who deal in such things will be glad to know that aluminium ball mill dust and aluminium skimmings and dross may now be exported to any destination without a permit. There is a catch, however, for this period of freedom is limited — from August 17 to November 16 1963.

### Floored!

Imported flooring strips may now be marked by alternative methods but, I must add, not just any flooring strips, but those which are of maple or pine, milled, measuring not less than  $\frac{7}{8}$  of an inch by not more than  $2\frac{7}{8}$  inches, of a length not less than three feet nor more than eighteen feet, having a tongue along the whole length of one of the wider sides and a groove along the whole length of the other.

### Maltreatment of Cucumbers

Some time ago, the Tomato and Cucumber Marketing Board made an order that bent cucumbers should not be placed on sale during a certain period. This was, it stated, because housewives did not like bent nor misshapen cucumbers. Presumably, housewives did not like them only during the period specified. However, artificial disfigurement is to be made permissible, indeed compulsory, by order of the Board of Trade. The Merchandise Marks (Imported Goods) (Raw Cucumbers) Order requires imported raw cucumbers other than gherkins to bear an indication of origin. Presumably the only way to avoid this tiresome business is to import them cooked — but then who would eat a cooked cucumber?

### Unbalanced Board of Trade

A stream of circulars from the Board of Trade is issued every week and they concern every conceivable kind of merchandise — imported pencil strips, imported bones, defatted, crushed or uncrushed when used in making animal black, plastic-topped cork stoppers, enamelled copper hair wire scrap, brass swarf, contaminated nickel ... etc.

One of the main activities of British producers is to send applications to the Board of Trade in order to persuade it to introduce pettifogging rules to hinder import of competitive goods into this country. Nothing seems to escape; from pasteurised spray-dried egg yolk to imported silicone carbide high temperature heating elements; from miniature microphones to Neuburg chalk.

Who is for the planned economy?

The daily sales of Hansard have fallen from 8,889 in the last quarter of 1945 to 2,170 in June this year.

## The Ratepayer

## Always Pays

A THREE-YEAR-OLD DISPUTE between the Salisbury City Council and the Hammerson Group, London property developers, has become the subject of a public enquiry.

Hammersons have quietly bought up the sites which made up the plum shopping area in Salisbury and plan to redevelop it. The Council's own comprehensive plan for the city is irreconcilable with that of the developers.

Local shopkeepers got a good price for the two and a half acres of derelict property behind the town centre — the price is reported to be in the region of £1,500,000. Because of this high price, the rents of shops in the redeveloped area will be too high for small traders.

The Councillors are worried about the extra rate they would have to levy if the Council itself acquired the two and a half acres which has already been sold.

The Town Clerk of Salisbury said that if the Council acquired and redeveloped the property, the city could control letting and then give *special rates* for small traders.

In other words, the ratepayers have not only to pay an exorbitant price for land, but they have to subsidise local traders who could not compete with the big combines.

A very poor answer to the problem of land monopoly.

## Nationalism In The Common Market

IF EUROPE IS UNITED it is bound to be independent.

If it is independent it will consider first the producers in its own market; that means protecting them from outside competition when it appears to undermine their prosperity."

That is how John Allan May, European Economic Correspondent of *The Christian Science Monitor* sums up France's attitude to the Common Market.

The French Minister of Industry has been telling his five colleagues in Brussels (headquarters of the European Coal and Steel Community) that unless agreement is reached by the end of the year on measures to support the French steel industry, France will take unilateral action. The French Government wants the establishment of minimum prices in the community and an increase in import duties.

In spite of the present six to eight per cent duty, British and Japanese steel is undercutting the French.

"In these circumstances" says Mr. May, "and temporarily at least, either the Common Market becomes close knit and goes protectionist, the French say, or it goes altogether — and that's that."