equal gross incomes of £3000 p.a. (income tax at 33 per cent) but tenant in poorer accommodation.

A. Under Existing Rating System

	Gross Income	Allow's (say)	M'gage Relief on £9000	Taxable Income	Tax at 33%	Rates (say)	Total Tax & Rates
	£	£	£	£	£	£	£
Owner-Occupier	3000	1000	1000	1000	330	200	530
Tenant	3000	1000	nil	2000	660	100	760

B. Abolishing Rates in favour of Income Tax (requiring rise in standard rate to approx 43 *per cent)*

					Tax at 43%		
Owner-Occupier	3000	1000	1000	1000	430	—	430
Tenant	3000	1000	nil	2000	860	—	860

Thus by abolishing rates, this owner-occupier benefits by £100 per annum. The tenant (in poorer accommodation *with the same income* loses by £100 per annum.

Generally, the better the property of the owner-occupier the greater the benefit to him of a change to income tax; the poorer the accommodation of the tenant, the greater the detriment to him of a change (except for non income tax payers).

(The tenant, of course, is helped by having a (generally) subsidised council or "fair" rent, but this is not relevant to the point being made except that he might need more financial assistance.)

Manual workers with higher than average earnings, such as miners and car workers, who generally live in properties of low rateable value would certainly be disadvantaged.

People living in furnished accommodation and paying rates in their rent are unlikely to obtain a reduction in rent if the landlord were relieved of paying rates.

The effects of the change would be an added increase in house prices (advantages of home ownership are capitalised in house (land) prices) for existing owner-occupiers and prospective owner-occupiers, and an increased dependence on rent subsidies for tenants. The prospects of tenants becoming owner-occupiers would be even more remote than they now are.

While the effect illustrated above *cannot be general over the whole range of income tax payers,* it is of sufficient significance to warrant careful consideration.

LAND INSTITUTE'S EVIDENCE

Research into Site-value Rating a Rewarding Investment

A FUNDAMENTAL, complex and expensive redistribution of functions between central and local government is not necessary, says the Land Institute in its evidence to the Enquiry Committee on Local Government Finance. There is no merit, it says, in transferring well established sources of central government revenue to local government, and this applies to a local income tax, value added tax, motor fuel duty and motor vehicle duties.

The rating of agricultural land and the acceptance of local lotteries should again be considered and two possible sources worthy of detailed research are a local payroll tax and a residents' tax or supplement.

The Institute recommends standardised rate relief, equivalent to the standard rate of income tax (33 per cent) on every domestic rate bill to replace the domestic element of the rate support grant, and that as a useful stop-gap means of supplementing the present rating system, site value is an effective way of rating owners of vacant land and sites not presently assessed for purposes of a rate based on occupation.

"Government sponsorship for substantial valuation research exercises on the site value basis of rating in representative areas could be a rewarding investment," it says, "and this is one particular source of revenue about which the Institute can offer some evidence, based on its own researches. There are clear indications that as a supplementary source of revenue, site value rating could make a significant contribution to meeting local expenditure and so reducing the total of central government grants."

The report makes this claim on the evidence found in Whitstable but the results over the country as a whole, it says, may prove to be equally, or even more, convincing. This is because site value rating is based on ownership. It is not related to occupation. Therefore the annual, or capital, value of land which is not occupied in the present rating sense attracts a liability to contribute to the cost of the local services which help create those values. Community growth involves the provision of services and necessarily increases land values. In the relatively small town in which the Institute's exercise took place (population 25,000) an annual value of approaching £4,000,000 was disclosed for development land and vacant sites. This total did not include any agricultural land value. "This source of revenue would seem to be a sensible and logical one as part of a property tax system. In the town concerned it was the equivalent of a 15 per cent increase in total rateable value."

Site value rating, argues the Institute, would eliminate or simplify those problems which, under the present system, arise from property improvements, plant and machinery, rating of unoccupied properties and the unreality of statutable deductions. However, that presupposes the replacement of the present rating system. "The Institute believes that more comprehensive research, on the lines of the Institute's exercise but in larger towns, will amply justify the expenditure involved. For too long, it says, too many have questioned site value rating on theoretical arguments; it should be judged only on practical grounds.

"Such exercises would provide more decisive evidence of administrative and technical cost, simplicity, ease of maintaining valuation lists, up-dating for revaluations, ensure better informed ratepayers, more socially acceptable rate recovery procedures, disclose valuation problems, difficulties in identifying and tracing owners, planning inadequacies and so on. They would also show the kind of supplementary revenue likely to flow from rating owners who do not presently contribute to an occupation rate, even though their land appreciates in value as a result of community growth and the local public services which sustain that growth.

"The work involved in establishing the facts about site value rating in representative areas will disclose the effects on different types of site, relative productivity in rateable value terms, valuation problems and so on. It may produce information valuable for purposes other than local government finance. For example, a site value rating liability may assist planners. Simple examples will help support this view. Site value rating would give planners some hope that where from a planning standpoint it is thought right that particular land should be developed, then at least an unwilling owner would face a continuing tax burden, which might eventually discourage him from holding on. Non-conforming users might equally be discouraged by realistic market site value, whereas under the present rating system they face only a moderate rate based on a group of neglected buildings. The assembling of splinter sites for more effective planning, servicing, designing and so on will be less arduous if hitherto unwilling owners face a yearly tax on their vacant sites.

Radicalism's Finest Hour

B. W. B.

FRANKLIN D. ROOSEVELT accused him of having both feet planted in mid-air. To Woodrow Wilson he was the man who went too far. Cassells Dictionary sees him as a member of the more advanced section of the Liberal Party. Whatever he may have been it cannot be denied that the influence of the Radical in British politics today is a mere shadow of what it was.

At Westminster in the 1970s there may well be men who place basic moral principle before political expedient but the combined clamour of their voices does not exactly shatter our eardrums. Too often, the dictates of party dogma and the siren-song of electoral prudence stifle the call of conscience.

Yet a century ago — or, more precisely, from about 1860 to 1914 — the political pulse of Britain was warmed and quickened by a succession of principled men, dedicated to the liberal tradition, to whom words such as "progress" and "reform" meant nothing if not starting from fundamentals. To tackle social problems other than at their roots (Latin: *radix*) was, to them, to dodge the real issues. And from the hustings and their seats in the House of Commons, men such as Bright and Cobden, Gladstone, Morley, Campbell Bannerman, Lloyd George and many more made Radicalism the most potent political force in late Victorian and Edwardian Britain.

In 1906 it seemed that the long surge of Radicalism had reached its commanding peak. Spurred by its Radical pacemakers the Liberal Party had won a great electoral victory. With a majority of more than 200 seats they held complete sway over the House of Commons, and with the Prime Minister — Campbell Bannerman — cast in their own mould, the Radicals seemed poised for their greatest advance in social reform since the election of 1868.

But what happened? Did they achieve their aims and quietly disband? Or did failure and the consequent disillusionment grind Radicalism into the dust of history?

A broad and revealing searchlight on the fortunes of British Radicals during those critical years between 1900 and 1914 is provided by a new book,* edited by Professor A. J. A. Morris and containing contributions from fifteen distinguished academic authors. Campaign by campaign it examines Radicalism's struggle during those fifteen eventful years, surveys the ideological bastions against which it pitted its strength and the forces against which it crumbled.

Not that the Radicals were without their successes. At home, the long campaign against the House of Lords veto ended with the eclipse of that body as a major force in British politics and the destruction of its power to thwart progressive Liberal legislation. Abroad, the Radicals emerged from the Boer War with increased support for their opposition to imperialism.

But against other forces the Radicals often laboured in vain. Against repression in India they achieved few of their objectives. The delicate purity of Radicalism was not proof against the creeping taint of Socialism and many Liberals, especially those whose Radical fervour became blunted with the cares of office, were too ready to compromise. The steady rise of nationalism, with controversy centred on whether the navy should build up to meet the German menace, caught them increasingly divided and the outbreak of war in 1914 virtually completed their disarray.

But of all the battles fought by the Radicals none was more epic, none more tensely fought, than the campaign for land reform recounted by Roy Douglas in an essay entitled "God gave the land

Edwardian Radicalism* **1900-1914, Routledge & Kegan Paul, £5.75.