

Speakers at two Conferences urge . . .

## "Take Rates Off All Buildings!"

### LIBERAL PARTY ASSEMBLY

#### Executive's Derating Motion Defeated

As we reported in our October issue, the Liberal Party Assembly had before it a motion, submitted by the executive, for amending the "derating" laws. These laws exempt industrial premises from three-quarters of the local rates and give total exemption in respect of agricultural land and farm buildings, other than dwelling houses. The motion demanded the immediate repeal of the "industrial derating" but as for "agricultural derating," the extraordinary plea was made that the exemption of agricultural land should remain and that ultimately full rates should be levied on the (now exempt) farm buildings. At the same time, the motion embodied an affirmation of "the conviction of Liberals that the present rating system should be replaced by the rating of land values." The motion thus stultified itself. The sponsor was Mr. JOHN MCQUADE, prospective candidate for Darlington and chairman of the Party's Rating Committee. He claimed that agriculture "still needed some assistance," and that land as the farmer's tool should remain exempt; accordingly the rates should be thrown on the farm buildings.

Supporting these fallacious notions and that indefensible taxation of buildings and improvements, as well as abandoning the declared and accepted Liberal policy, Mr. J. O. YOUNGMAN of the Eye division insisted that agricultural land was the farmer's raw material and therefore completely different from land used for other purposes.

All this was prelude to an intense debate, no fewer than eleven amendments being moved, most of them directed against the agricultural provision in the resolution and in favour of land value rating. The outcome was that the resolution was referred back to the Executive where it had come from, requiring its appointed "rating committee" to think again.

Opposition to the original motion was led by Mr. J. BOOKER, prospective candidate for Salisbury, who said that assistance to the working farmers would best be provided by a change in the method of assessment; that is by rating land values. After a count this was defeated by 121 votes to 107. Mr. R. H. JONES of Erith and Crayford division, Mr. J. M. CHESTER of Southgate, Dr. DESCH of Sevenoaks and Dr. ROY DOUGLAS of Bethnal Green, each took a similar line but each of their amendments was defeated; as was a move on the part of Mr. TOM LEE of Saffron Walden to allow local option for the adoption of land value rating. And in the course of the discussion one or two voices were heard suggesting that rates should be levied according to profits—the "ability to pay" argument.

Mr. STEPHEN MARTIN of Chislehurst, saw in the attempt to put the rates on the buildings a move away from the path to Land Value Rating and repeatedly came back in support of or against each amendment as it seemed to follow or diverge from that path.

Mr. O. P. FRENCH of Southgate, opposed the mere repeal of derating in the sense that it would put rates back on buildings; that would penalise those who carried out the greatest development; derate buildings and rate land values was the true reform.

Mr. JOHN BOOKER returned to the fray with his second Salisbury amendment which, forthright in substance and fundamental in principle, demanded that all buildings be

exempt from rating and that full rates be levied on the land value apart from buildings and improvements. That resolution was carried by 90 votes to 87.

Unsatisfied or not content, and despite his own earlier acceptance of Land Value Rating as the true Liberal solution, Mr. MCQUADE wound up by saying that the Salisbury amendment "would lose many thousands of agricultural votes," and he asked for the reference back of his own resolution. This was moved from the floor and the motion was carried.

The Assembly certainly had an unusually instructive afternoon, and we may hope that after such a demonstration, the Executive will recommend the Party to press for the Rating of Land Values as the remedy for the much condemned "derating" legislation.

### SIR ARTHUR COMYNS CARR, Q.C.

#### "An Unrepentant Believer in Site-Value Rating"

#### CHAIRMAN'S ADDRESS AT R. & V.A. CONFERENCE

After two days of considering the anomalies, absurdities, injustices and technicalities of the present rating system, last year's annual conference organised by the Rating and Valuation Association ended with a call to levy rates instead on the site value of land and to take rates off buildings. It came vigorously from Mr. R. R. Stokes, M.P. for Ipswich and member of the Labour "Shadow Cabinet."

At this year's conference—in the Royal Festival Hall, London, on October 18 and 19—the order was reversed. Land-value rating was strongly advocated in the opening session by the Conference Chairman, Sir Arthur Comyns Carr, Q.C., a well-known Liberal. In part, he said:

"I am a firm and unrepentant believer in rating of site values. I think that if it is examined on its merits, without regard to some of the extravagant claims made by some of its more enthusiastic supporters, and if its working in those places where it operates overseas is dispassionately considered, it should certainly be adopted. It has, to a much greater extent than even the old law of the hypothetical tenant, the virtue of simplicity in place of the chaos in which we now wallow. The important point is not so much that the site should be rated; in the main it is included in the composite value, though some escape in whole or in part, which they should not.

Development charge has been rightly abandoned as unworkable, but are we not back to the state in which, for example, as I proved in the 1920's, a new arterial road through an undeveloped area added in a short time to the value of the adjoining land at least five times the cost of the road? That cost was borne by the public while the owners got the profit and meanwhile escaped rating.

"The even more important matter is that buildings should not be rated. After a long struggle, machinery and plant were exempted in 1925, but exactly the same arguments which brought that about apply with equal force to buildings. They are both the result of capital and labour and enterprise.

"During and since the war we have had the purchase tax. Nobody suggests that it is a good tax in itself; it was imposed deliberately to discourage the home consumption of certain articles and to promote exports. A rate of 20s. in the £ imposed on buildings has exactly the same effect as 100 per cent purchase tax.

"Do we, except perhaps temporarily as part of the 'credit squeeze,' want to discourage the erection of houses or other buildings as we are doing? We cannot export them, anyhow.

"Of course, the money has got to be found somehow, and in the main by the same people collectively. The practical results would be briefly, as follows: first a certain amount of new revenue would come in from vacant sites and premises and undeveloped and under-developed land. Second, all those hereditaments in which the proportion of site to building in the total value is lower than the average for the area would pay less than they did under the old system. Those above the average would pay more.

"This would be to the advantage of the vast majority of householders, giving them in a fair and rational way more relief than they are getting on the fantastic 1939 valuation. It would also benefit the shopkeeper in the cheaper streets, who is so hard hit today, and many others of those now unfairly treated.

"But whether any particular hereditament would pay more or would pay less, the vital point is that no one would pay

more, as he does today, because he is enterprising, though he would if he were not.

"Those who own low-grade buildings, including slums, on sites too valuable for them, would find it worthwhile to rebuild. The excessive cost of sites should come down. I believe it would make substantially for progress."

Preceding these concluding remarks, Sir Arthur had severely reviewed the present state of the law with regard to local taxation. Among the many anomalies and injustices on which he commented was the unfair burden at present borne by some classes of property as the result in part of the derating of agriculture and industry, and the assessment of dwelling houses on their assumed 1939 value. In the main the properties adversely affected were shops, offices, warehouses, public houses, hotels, boarding houses, schools and local authority hereditaments. The recent revaluation had aggravated rather than remedied long standing injustices. "We have waited 22 years for a new Valuation List, but for a Valuation Officer, as for the rest of us, it is never too late to go wrong. Please do not think I am condemning Valuation Officers as a class. On the contrary I sympathise with them in their attempt to face their impossible task."

## African Land Grabbers Routed in Buganda

"All People Entitled to Equal Rights in Land"—Lukiko Member

Wisdom and justice have prevailed in Buganda with the result that the proposed distribution of 154 square miles of land to certain "deserving" individuals will not take place. As reported in our August—September issue under the title "Africans Also Land Grabbers," beneficiaries under the scheme would have included members of the Buganda royal family, members of the Lukiko (Parliament), chiefs and officials, as well as certain individuals who showed courage during the Kabaka's exile. We also reported that the proposed scheme was strongly opposed by the Uganda National Congress, the Progressive Party (leader, Mr. E. M. Mulira), the African Chamber of Commerce and the newly formed Democratic Party.

A LAND & LIBERTY reader in North Wales, Mr. E. M. Ginders, wrote privately to Mr. E. M. Mulira, warmly complimenting him on his courage and selfless public spirit in fighting the proposal. We are happy and proud to have permission to publish the following reply:

Dear Mr. Ginders,

This is to thank you very much indeed for your letter of September 17, 1956, which I have just received. It has encouraged me very much in my struggles here. It is very cheering to think that there are people in the world who are so interested in what we are doing here. The world is indeed a small place.

Yes, it was a great pity that no less a man than a Minister should table such a motion and that it should receive such support in our Lukiko. To some of us it was a great disgrace to see that at this time of our development such a short-sighted policy should be welcomed by so many members. But we were gratified when it was later dropped, but not without a lot of ill-feeling in the country. It would have been better if it was defeated at once when it was moved.

It was of course a great temptation to the members when each one had been promised a share before the debate. I was going to receive no less than a whole square

mile in all and my wife 40 acres. She too refused to have them and we returned them to the state even before the resolution was rescinded.

I did not know before that there was such a thing as the International Union for Land-Value Taxation and Free Trade. Please, let me know more about it. I would also be very grateful if you could send me a copy of the LAND & LIBERTY.

My wife joins me in thanking you again for this considerate act of yours.

Yours sincerely,

Kampala, Uganda.

E. M. MULIRA.

In the course of a letter to LAND & LIBERTY, dated October 9, Mr. Mulira wrote:

I was surprised to get Mr. Ginder's letter and it made me glad to see that there were such people in the world who cared for the interests of humanity as do members of your International Union.

The scheme for land distribution has now been scotched but it has left many enemies to me. All those who might have received land in this way have raised such enmity to me that they are now bringing all sorts of false accusations against my name. But I am very happy indeed because I know what I did was right and I did it from a deep conviction that all people were entitled to equal rights as far as land is concerned. In 1900 there was a general distribution of this kind. Some of us regard it as a mistake; but a mistake made then cannot be allowed to be repeated in 1956.

Besides me and my wife, there were some other people, members of my Party, the Progressive Party, who refused their share and wrote to Government to say so. They were: Mr. T. A. K. Makumbi (160 acres), Mr. Leonard Bassude (540 acres), Mr. Erisa Mukasa (non-member but sympathiser), 40 acres, and Mrs. D. L. Kiwanuka (80 acres).