

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.