

LOCAL AUTHORITIES AND LAND VALUE RATING THE MANCHESTER MUNICIPAL CONFERENCE

3rd December, 1929

An important municipal conference, held under the auspices of the Manchester City Council, at which 119 of the 190 Local Authorities in Lancashire and Cheshire were represented, was held in the Manchester City Chambers on 3rd December. A resolution giving general approval to the principle of land value rating was carried by 65 votes to 23. A committee to consider further steps was appointed, its members being Councillor Arthur H. Weller, J.P. (Manchester), Councillor William Noble (Stockport), Councillor H. Eastwood (Bolton), Councillor Eschwege (Liverpool), Alderman Swales (Manchester), Councillor G. Jennison (Disley), Councillor R. L. Hughes (Ashton-in-Makerfield). The majority of the Committee are whole-hearted supporters of the land value policy.

The holding of the Conference arose out of a resolution adopted by the Manchester City Council on 4th July, 1929, and the action taken was due to the initiative of Councillor Weller (Secretary of the Manchester Land Values League). The resolution, which Councillor Weller moved and Councillor Hutchinson seconded, was carried by 38 votes to 29. It declared as follows:—

That in view of the favourable attitude of the Government to the policy of taxing land values, it is the opinion of the Council that the time is opportune for steps to be taken to relieve houses and shops from the burden of rates by rating land values: the Town Clerk is therefore instructed to call a Conference in Manchester on a suitable date and to invite all the rating authorities in Lancashire and Cheshire to send representatives to consider joint action to make such a change in the rating system.

The date was subsequently fixed for 3rd December. The response to this Manchester invitation has been very significant. The Conference might well have been an even greater event if the Town Clerk had been empowered to invite delegates from a wider area. It is known, for example, that both Sheffield and Stoke-on-Trent applied for representation but they had to be denied since the Conference was confined to Lancashire and Cheshire.

Last month we briefly announced the result of the Conference, and we now give the fuller report as it appeared in the *Manchester Guardian* of 4th December, to which we should like to add that Councillor Wm. Noble (Stockport) also spoke strongly in favour of urging upon Parliament the need for legislation.

The Discussion

The Lord Mayor (Mr R. Noton Barclay) presided, supported by Alderman J. H. Swales (chairman of the Manchester Finance Committee) and the Town Clerk (Mr F. E. W. Howell).

The discussion was opened by Mr A. H. Weller, a member of Manchester City Council, who said that the need for revenue for local government purposes was steadily growing, and the difficulties facing rating authorities were enormous. Grants from the Government only redistributed the burden on industry, and did not lighten it, which was what they all desired. The Derating Act only derated some industries at the expense of others. It did not include houses and shops, which paid 70 per cent of the revenue obtained in this country. If industry was to be relieved a new source of revenue must be tapped, and land values were the only other source he knew of. A rate on land values

would be a just rate because the value of all land was due to the presence and activities of the community. (Hear, hear.) As a striking example he mentioned that £117,000 was paid for land for the Manchester-Stockport road. As 450 men would be employed on the road for five years it meant that the landowners concerned would receive a premium of £260 per head for permission to those men to work upon a public improvement.

The provision of revenue however was not the most important aspect. The economic effect of a rate levied on land values was worth consideration. By that means they would ease the housing and unemployment problems and discourage the withholding of land from use. A penny rate on the capital value of land in Manchester would mean a reduction in the rates, on the present assessment, of about 1s. 9d., which would reduce by about 23s. the annual charge for a 12s. weekly house. Mr Weller concluded by mentioning several countries in which the rating of land values was successfully applied, and declared that the apparent difficulties were mainly of the mental variety. He moved that the conference, without definitely committing the 120 rating authorities it represented, should give general approval to the policy of rating land values.

Mr H. Eastwood (Bolton), in seconding, declared that the Conference was an important landmark. He also gave local instances of the way in which the landowner exploited the community whenever it required land for public improvements. In such cases taxation upon income was antiquated: a man must pay on the principle of what he received in increment by reason of the activities of the community.

Mr George Jennison (Disley), in supporting the proposal, declared that the taxation of land values was a just thing. But this was the third such conference, he said, that he had attended. They had always been unanimous, though nothing had been done. He therefore suggested that the meeting should send an expression of its opinion to the Chancellor of the Exchequer, and should appoint a small committee to keep all the authorities in touch with developments.

Mr R. Lindley (Lancaster) said the reason they did not make progress was that they allowed their political views to override their local government ideas. It was useless to gird against landlords. Most folks would do as landlords did if the law allowed them. Let them tell the Government plainly, from all the local authorities, that it was expected to deal with this question of rating land values.

The Lord Mayor suggested that the meeting should ask the Chancellor and the Minister of Health to receive deputations, and that a small committee should be chosen to arrange the details.

Mr Strong, of Liverpool, continued the discussion by asking a series of questions on details, whilst Mr Patrick, of Bootle, asserted that Mr Lloyd George's 1909 Bill proved a fiasco because no value accrued from any part of it.

Mr Dixon (Liverpool) instanced as a difficulty the case of land that depreciated in value because improved public services in the way of roads, trams, and houses attracted the people away to other parts. Mr Williams (Macclesfield) quoted many instances from Canada, which, he contended, showed that such legislation had largely failed in that country.

Mr Edmund Walkden (Ashton-in-Makerfield) said a lot of the later speaking was intended to side-track the

real issue. The whole thing was as simple as A B C. Land between Manchester and Liverpool was worth, say, a penny a yard. When the new road was made it would be worth sixpence. The County Council, the Government, and the people had improved the value, and why should the landlord have the margin? The rating authorities should have it, and they all knew perfectly well that that was the principle involved.

Mr Maurice Eschwege (Liverpool) mentioned the names of three noble lords whose estates bounded that city and to whom the citizens, he said, had "to pay through the nose" whenever they wanted land for development or improvement. It was iniquitous that a great city should be held up to ransom in that way.

In replying upon the discussion Mr Weller said that he would exempt no land from the principle he advocated. He offered to supply to anyone interested facts that entirely destroyed the criticism from Canada raised by Mr Williams, of Macclesfield.

Press Comment on the Conference

The *Liverpool Echo* of 4th December devoted an Editorial to the Conference:—

"Liverpool appears to have been well represented, and the meeting approved the principle by a big majority. The Lord Mayor of Manchester suggested that the Chancellor of the Exchequer and the Minister of Health should be asked to receive deputations. We believe Mr Philip Snowden will be very pleased to receive deputations from local authorities urging the taxation of land values. More revenue is required for national and local government purposes, and where the activities of the community increase the value of land the community should benefit and not a few individuals. It is notorious that when a city requires land for development or improvement it is held to ransom. Town planning and the construction of new roads greatly increase the value of land. The only new source of revenue of any importance is the taxation of land values. Derating as laid down in the Derating Act is merely the shifting of burdens. We agree with a representative from Lancaster that it is "useless to gird against landlords. Most folk would do as landlords did if the law allowed them. Let them tell the Government plainly, from all the local authorities, that it was expected to deal with this question of rating and land values." The Government will lend a willing ear. Everything points to the fact that a scheme for the taxation of land values will be brought forward in the near future, and it will be strongly supported by men whose political views differ, but who are determined that the community shall benefit by what it creates."

The Agitation Continued

On 7th December the Town Clerk wrote to all the rating authorities of Lancashire and Cheshire enclosing copies of the proceedings of the Conference and of the *Manchester Guardian* report. The authorities were invited to make observations on the proposal to send a deputation to the Government and the Town Clerk is to call the Conference Committee when the replies have been received.

Newspaper cuttings being received show that the letter from the Town Clerk of Manchester is already being discussed at Council Meetings of the Lancashire and Cheshire Local Authorities. The *Eccles Journal* of 13th December reported that the Swinton Council adopted a motion endorsing the resolution of the Conference generally approving of the policy of rating land values. A similar resolution was adopted by the

Colne Town Council at its December meeting (*Colne Times*, 27th December).

At the Nantwich Rural District Council on 14th December (*Liverpool Post* report) the letter from the Manchester Town Clerk was "allowed to lie on the table" after the matter of land value rating had been discussed. At the Lancaster Rural District Council on 28th December there was a keen discussion, and consideration of the matter was adjourned for a month. Councillor George Jennison has issued an explanatory statement to all members of the Disley Rural District Council with notice of motion, "That in justice to the ratepayers site values ought to be rated."

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The Tyldesley-with-Shakerley Urban District Council which was represented at the Manchester Conference had previously (on 23rd October) adopted the resolution: "That this Council make representation to His Majesty's Government that the time is opportune for the Taxation of Land Values."

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The Crompton (Lancashire) Urban District Council, meeting on 16th December, discussed the report of the Conference submitted by the Town Clerk of Manchester. A motion to support the principle of Land Value Rating was lost by four votes to three, an opponent greeting the result with the declaration "It will be a bad day for this Council when we start discussing politics."

The *Oldham Chronicle* of 21st December, dealing with the debate in an editorial, says:—

"As an excuse for either actively opposing or passively ignoring this question of land values, the objection of 'No politics' will not apply. For instance, the enhanced value of the land through which an arterial road is cut, and new travel services run, and new communities rise, is a matter of direct concern to the ratepayers and taxpayers of the district in which the road is made. Their money, and that of other taxpayers, pays for the road. Are the owners of the land to get away with the increased value the spending of public money has created, and ratepayers and their representatives to be silent because like every other reform worth having apart from character reform, their chance of securing some of that value will have to come through politics? 'No politics' is an absurdity in this connection.

"If the people of Crompton knew what the absence of the rating and taxation of land values means to them, and what it means to the landowner wherever there is a growing and active community, is it likely that any but a small minority of them would stop discussion on the meaning and purpose of that taxation by the cry of 'No politics.' It is bread and butter politics for them. For the lucky landowner, it is caviare and champagne politics."

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Among the local authorities that have considered the report of the Manchester Conference were the Macclesfield R.D.C. and the Chester R.D.C. Motions in favour of the Rating of Land Values were not carried, but advocates of the principle had good publicity in the newspaper reports. Councillor Weller, vigilant as ever, took occasion by the hand to contribute letters to the local press stating the case and thus bringing the objects of the Conference before a wide constituency.

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Councillor E. England, who represented Poulton-cum-Seamhead at the Conference, struck a critical note in a letter to the *Manchester Guardian* of 10th December. In regard to agricultural land he wrote: "I know that many of us who represent rural areas will stoutly oppose any attempt to place a land rate

on agricultural land, as we believe it to be the most valuable raw material we possess, and hold that to place any further encumbrance upon it would be detrimental to the best interests of the community.

This was replied to next day by a letter in the *Guardian* from Councillor A. H. Weller who (dealing also with other points) wrote: "Your correspondent is opposed to the rating of agricultural land on its value, as a new encumbrance. Perhaps he does not see the relation of local rates to rent. The Agricultural Rates Acts, which culminated in the complete exemption of agricultural land under the derating Act, have made it clear that the landlords, sooner or later, take in increased rents what is saved in rates. So far as the original Acts are concerned, this has been candidly admitted by many of the landlords and their friends including Captain E. G. Pretymann, Sir H. Trustram Eve, and Sir Francis Acland. It is equally true of the recent derating of agricultural land, and it is therefore obvious that the rating of agricultural land on its unimproved value will be a deduction from rent and will in no way be an encumbrance on farming. But this system will do much more than place the burden of local taxation where it should be; it will cheapen land by increasing its market supply and so provide farmers and smallholders with alternatives which will give them independence and security of tenure. And its economic effects elsewhere will develop an effective market for agricultural produce, without which the farmers' prosperity is impossible."

Growth of the Municipal Demand

During the last 10 years, as shown in our Municipal Manifesto, no fewer than 75 Town Councils have declared for land value rating in resolutions officially adopted. We give the list again, so that our readers may take note and use their influence to bring the matter before their local councillors where action has not yet been taken.

Barnsley	Leeds	Charlestown
Barrow-in-Furness	Leigh	Clydebank
Batley	Manchester	Dingwall
Battersea	Middlesbrough	Dornoch
Bermundsey	Newcastle-on-Tyne	Elie
Bolton	Poplar	Falkirk
Bradford	Ripon	Fort William
Brighouse	St. Helens	Galashiels
Bury	St. Pancras	Girvan
Camberwell	Sheffield	Glasgow
Cleethorpes	Smethwick	Hawick
Crewe	Stoke-on-Trent	Inverness
Dartmouth	Thornaby-on-Tees	Irvine
Darlington	Todmorden	Jedburgh
Deptford	Tottenham	Leven
Dewsbury	Walsall	Lochgelly
Dorchester	Warrington	Musselburgh
Dover	West Bromwich	Stonehaven
Ealing	West Ham	Aberystwyth
East Ham	Wigan	Cardiff
Gateshead	Woolwich	Denbigh
Grimsby	Worcester	Glyncorrwg
Hull	Anstruther	Merthyr
Islington	Banff	Newport (Mon.)
Keighley	Buckie	Swansea

Resolutions demanding the rating of Land Values have also been adopted by the County Councils of Glamorgan, Isle of Wight, Monmouth, Pembroke and the West Riding of Yorkshire; and by many Parish Councils, especially in Scotland.

Addresses by Henry George: "The Crime of Poverty," "Thou Shalt not Steal," "Scotland and Scotsmen," "Thy Kingdom Come," "Moses." *Id.* each.

THE COAL MINES BILL

On the 17th and 19th December the House of Commons debated the Coal Mines Bill, the second reading of which was carried by the narrow margin of 8 votes, the division being 283 to 275 including the tellers. All the Liberal Members present, with the exception of eight, went into the Opposition lobby. Six Liberals abstained and two voted with the Government, which was also supported by one independent Conservative. Twenty-two Conservatives were absent unpaired.

The Bill as presented proposed to regulate the production, supply and sale of coal through a central council and district executive boards of colliery proprietors formed for the purpose. These bodies would ordain schemes for limitation of output and fixation of prices, and levies would be collected on coal produced so that the council and the boards could give financial assistance to any branch or branches of the industry deemed to be in need of assistance—for example, the export trade and the pits now running at a loss. The primary object of the measure, which has been drafted in consultation with the Mining Association and the Miners' Federation, is to reduce the working hours at the mines from eight to seven and a half; and the machinery of price fixation with limitation of output was considered to be necessary to enable the industry to stand the expense of the shortened hours.

Since the debate that has taken place, the Bill stands for drastic amendment in Committee with the approval of the Government.

On the general principles at stake, an informing letter by the contributor "Gracchus" appeared in the *Edinburgh Evening News* of the 23rd December. He writes:—

"A reading of the Coal Bill debate suggests the thought that if our statesmen would spend a little time improving their understanding of the Law of Rent, their deliberations might reach some definite point. Throughout all their remarks the fact of rent protruded itself, though none of them seems to have recognised it. The Government apparently thinks that all pits must be made to pay—a thing only possible if the price of coal is fixed to cover the cost of production at the worst pit in use. Obviously, this arbitrarily established "economic" price will enable the better pits to pay a bit extra, which surplus will be privately appropriated, and in due course will serve to enhance the value of the coal-bearing land concerned. The miners may, of course, be graciously permitted to share this surplus, but even this possibility does not make the Government's methods of helping the miners sound.

"Certain Government speakers were concerned to know what constituted an economic price. Here is the answer: An economic price is one sufficient to cover the cost of production at the worst place where it is essential to produce if a sufficient supply of the commodity is to be forthcoming. To produce beyond that point is to increase unnecessarily the cost of production, and to enhance the land value of the areas, used and unused, within the margin, and furthermore to lower the producer's returns (including wages). Instead of keeping pits beyond the natural margin in commission, the true policy—for the general well-being and not in a sectional interest—is to drive them out of action. There is a method to accomplish this, and to see that all prices are economic, and to ensure that all internal competition will not be checked, and that the public will not be robbed. It is amazing that even Labour statesmen do not recognize that method in the taxation of land values."