

REPORT OF PUBLIC CONFERENCE

TO PROMOTE THE

RATING OF LAND VALUES

GLASGOW, 11th October, 1919.

Under the joint auspices of the United Committee and the Scottish League for the Taxation of Land Values, a Public Conference to Promote the Rating of Land Values was held in the Trades Hall, Glassford Street, Glasgow, on Saturday, October 11th, at 3 o'clock p.m. The object of the Conference was to consider the alarming and widespread increase in rates, the injurious effects of the present system of local taxation upon housing and industrial development, and the reform which would exempt buildings and improvements from taxation by raising revenue from the value of land alone.

Mr. J. Dundas White, M.A., LL.D., President of the Scottish League for the Taxation of Land Values, occupied the chair, and the Conference was addressed by Mr. P. Wilson Raffan, M.P.; Ex-Bailie Peter Burt (Glasgow); John Gordon, J.P.; Andrew Maclaren (Labour candidate for Wimbledon); Bailie John Muir (Glasgow); Councillor Dollan; Chapman Wright (Birmingham); and other speakers.

In addition to those named as speakers, there were on the platform: Bailie Coutts (Newport), Councillor Horne (Glasgow Parish Council), Councillor Stephen J. Henry (Glasgow), Bailie Bruce Murray (Glasgow), Messrs. Thos. Cameron, J. S. Jamieson, J. S. Neil, James Busby, F. Skirrow (Keighley), and W. R. Lester, John Paul and A. W. Madsen (London).

Apologies were received from Mr. James Sexton, M.P., Mr. Chas. H. Smithson (Halifax), Mr. H. S. Murray (Galashiels), Provost Moffat (Hamilton), Sir Henry Ballantyne (Peebles), Rev. James Barr, Professor Latta, Messrs. A. W. Metcalfe (Belfast), D. Mitchell Quinn, Ben Shaw, John Paterson, Joseph Davison (Bellaghy), and others.

A representative gathering of more than 500 persons filled the hall.

THE CHAIRMAN said: This Conference has been convened by the United Committee for the Taxation of Land Values and by the Scottish League for the Taxation of Land Values. We are honoured by the presence among us of considerably more than 200 representatives of more than 100 representative bodies, rating authorities, education authorities, ward committees, co-operative societies, and labour organizations, and besides these we have many ladies and gentlemen who have come because of the great interest in the subject. In the name of those who have called together this Conference, I bid them all a hearty welcome.

The subject that we are discussing this afternoon is of particular importance just now. Public opinion has been and is being increasingly directed not only to the question of the amount of the rates, but also to the question of the system upon which these rates are levied. That system, as our speakers will show this afternoon, is both unjust in principle and injurious in practice, and among the many difficulties that arise from it is

the fact that it is an important contributory cause of the house famine which is such a menace to the well-being of the people.

Take Glasgow, for instance, and remember that in this matter Glasgow by no means stands alone. The total rates of Glasgow at present, when they are all worked out and the rate is struck, will probably be rather more than 12s. in the £. Consider what that means in respect of any one or any association or institution desiring to build houses to meet the housing famine. That rate is equivalent to saying to those who desire to build houses: "Yes, you may build a house, but as soon as that house is built and occupied it will be subject to a fine of 12s. in the £ of annual value." And that will not be only one year and have it over, but it will be subject to that fine for practical purposes year after year. That is one of the things which help to make building impossible in a commercial sense.

We must put a stop to this hostile tariff on houses. We must take steps to unrate houses, and to give free play to the building industry. Therefore, one of the reforms for which we are out this afternoon is to unrate houses altogether, or at least to unrate them as far as we possibly can, so as to encourage building in every possible way to meet the great demand for houses.

That is one side; but there is another side, which is not less important. If we are going to put up houses it is clear that we must have the land to build them upon. Now, all round our great centres, all round Glasgow and every great centre there is a great deal of land which is really wanted for building and which ought to be used for building. In Glasgow we find a considerable amount of this ground which is being rated on an annual value of, say, £3 or £4 a year, but if you want it for building you have got to pay an annual feu-duty of something like £20 or £30, or perhaps more.

I see that the Land Acquisition Act is mentioned in the proposed resolution, so I will not trench upon what the speakers may say on the matter; but I may perhaps be allowed to point out this: that when the question relating to that Bill came up before the Corporation of Glasgow some few months ago, they passed a resolution in which they expressed the view that the rating value ought to be the basis of the purchase price. I hope the day may not be far distant before the Corporation of the City of Glasgow and many other public bodies in Scotland will put that resolution the other way round in a more far-reaching and a more effective way. What I would like to see them say would be to put a resolution like this, that the selling price of the land should be the basis of the rating valuation. What does that mean? It means that the annual value for rating should be either the feuing price or, say, 5 per cent of the selling price. If that land were rated on anything like that basis, you would find that holding up the land would stop, that the land would be made available for its proper use, and that there would be a chance of the town extending so as to get rid of the overcrowding. Nor should we find only that. We are told that the prices of building materials are very high, and undoubtedly they are; but after all, where do many of the building materials come from? Where does stone come from, or slates for the roof, and sand and lime for mortar, and a vast number of other building materials? They all come from the land. If a man has land which contains these things and does not develop it, he is not charged rates or taxes on that value at all; but as soon as he begins to develop it then the rating authorities swoop down on him, for that is the present rating system. If, however, we rated landholders according to the market value of land which contained stone and lime and all other raw materials required in building and which enter into the selling price of the land,

you would have a great economic pressure brought to bear not only to open up sites for building upon fair terms, but also to open up the natural storehouse of many of our building materials.

Our proposition is simply this: that we should unrate buildings so far as we possibly can and should concentrate our rating as far as possible on the market value of the land alone. This is not a far-fetched theoretical scheme. It has been tried in many parts of the world. We may draw many lessons from other parts of the British Empire, but I can fancy hardly any lesson more important than the lesson that we can draw from Australia and from New Zealand and from South Africa, where this great reform is in practice to-day. It has been steadily developed. They began it in a small way, but they have moved on and moved on. Take the latest case of South Africa. To-day in Johannesburg you have all the rates levied on land values, and no rates whatever levied on houses or other improvements. Take New Zealand. In Wellington, the capital of New Zealand, you have the same thing; and you have the same thing in more than 130 other towns and districts there. You have it also in many places in Australia, and above all you have it in Sydney, the greatest city of Australia, and if you go out to Sydney to-day you will find that instead of having a hostile tariff on buildings and houses as we have here, the rating is based upon the market value of the land, and the people may build houses or put up shops or factories or workshops, or in the suburbs they may put up glasshouses for growing vegetables, but none of these improvements is rated or taxed by the municipality.

We want to give our city the same advantage as has that other city in the Southern Hemisphere. We put forward this reform as a first step to better housing. We put it forward as the first step to increased production from the land, because remember that the same disadvantages that check the building of houses also check the development of workshops and factories, agricultural developments, and every possible development, and we want to promote production by opening up the natural resources of the country and by giving free course to free development in every possible way. Before calling upon Mr. Raffan to move the first resolution, he has asked me to read it to the meeting. This is the resolution:—

"This Conference condemns the present rating system, which is unjust in principle and injurious in practice, and operates as a hostile tariff on the building of houses and as a hindrance to production and manufacture.

"This Conference considers that the Acquisition of Land Act and the housing proposals of the Government are inadequate and mischievous, inasmuch as they strengthen land monopoly and fail to deal with the causes of the house famine.

"And this Conference affirms that the land which Nature has provided ought to be treated as common property, that those who hold it ought to be rated and taxed on its true market value, whether they use it or not, and that houses and other improvements should be unrated and untaxed."

Mr. P. WILSON RAFFAN, M.P., in proposing the resolution said: It gives me sincere pleasure to have an opportunity of taking part in this great Conference and submitting this resolution to the meeting. I venture to put three brief propositions with regard to housing question. I do not think they will be questioned. I suggest in the first instance that the housing question is more clamant and insistent at the present time than ever it has been in the history of the oldest man now living. I suggest in the second place that there are fewer houses being erected at the present time than there ever have been in the history of the oldest man now living. I suggest in the third place that public opinion was never so keen and never so sensitive with regard to the question than it is now.

The reason why we are face to face with this state of things is that we have tried every conceivable remedy except the one root remedy of declaring that the land of the country should be accessible to the people of the country. This motion, the Chairman has told us in his admirable and well-reasoned speech, refers to the efforts which have been made by the Government to deal with this matter, and more particularly with the effort which was made by the passing of the Land Acquisition Act.

THE LAND ACQUISITION ACT

I have never been one of those—there are such people—who have said that if an effort is being made to improve conditions I would refuse to take part in it because it did not go as far as I wished it to go. If I see the goal ahead I am always willing to co-operate with any man or any section of men who will go

even a small part of the journey with me. But I opposed the Acquisition of Land Bill in the House of Commons at every stage—spoke against it at the Second Reading, opposed it on the Committee stage, opposed it on the Report stage, spoke against it in the final stage in the House of Commons, on the Third Reading, because I believed that it went no length whatever in solving the question, that it was a sham and a delusion. The members of local public bodies who are here will find out, if they have not already done so, in their own experience, that this measure will not open to them the land in their areas for the purpose of erecting houses for the people.

You have here all the bad old machinery that has always blocked the way in the past when you endeavoured to acquire land for any public purpose. They have set up this tribunal before which the local authority, it is true, can go and state their case why land should be compulsorily acquired and state their reasons why if the charge made by the owner is an unduly high charge. That is quite true, but the machinery which is necessary is the old expensive dilatory machinery which blocks you all the way. You require to bring your expert witnesses at great cost to give their view as to the proper value of the land. To get your case before the arbitrators you must be represented by solicitors or by counsel. It is perfectly true that if a local authority gets an arbitrator to say that the offer they have made to the owner is fair and reasonable and he fixes the price at their figure, the costs have to be borne by the owner, but I put it to the members of local authorities that it is the difficulties of arbitration that at the very outset that procedure hampers the local authority, because if you have a competent legal advisor—I am sure there is not a town in Scotland that has not a competent legal advisor—he will tell you at the very start that the costs which may be ordered against you are so heavy that what he advises you to do is not merely to offer a figure which you think is reasonable and fair, because if you do that the possibility is that the decision will go against you and you will have to bear the costs; but offer a higher figure and then perhaps the case will go for you.

So at the very outset the temptation is there for the local authority itself to offer not a figure which they think fair and reasonable, but a higher figure. And so all the way along; when all this procedure is gone through what is the finding? The finding of the arbitrator is that the value which the local authority has to pay for the land which it secures is to be fixed in accordance with the evidence which is laid before them. I venture to say that you will find in your experience that what the chairman has told will work out in practice.

RATEABLE VALUE AND PURCHASE PRICE

You take land outside the boundary of your towns at present used for agricultural purposes, let, it may be, at £1 or £2 an acre—say £2 an acre, capital value £50 an acre, and you find the moment that land is wanted that the real value of it is £1,000 an acre. You go forward and you find that in many cases the arbitrator will decide in favour of the landowner, or somewhat near his figure.

Those of us who opposed the Land Acquisition Bill in the House of Commons took this clear and simple view. We said there cannot be two values and both be true values: if the value of the land be £50 an acre as the owner says when he approaches the rating authority as a ratepayer; very well, if the local authority requires land for public purposes they pay the £50 an acre and not a penny more. If, on the contrary, it be held that the true value of the land be £1,000 an acre—twenty times more—very well, let him pay his rates and taxes on that amount whether the land be used or held out of use.

There ought to be one value, the same value that the local authority requires to pay when proposing to acquire the land for houses, should be the value for rating. Upon that simple proposition we took our stand, and we fought the Bill through all its stages in the House of Commons. The forces were too strong for us. I agree with the Chairman—while I was glad to be one of the gallant little band that went into the lobby at every stage against this measure—I agree with the Chairman that it is not enough to take up that position. The difficulties of debate prevented us putting our full case forward, but I agree entirely that the only way to ascertain the true value is to say all land in the country shall be valued, and that upon that value, a tax or a rate—or I should prefer to say a tax and a rate—shall be imposed, and that the value upon which the taxation and rates are to be levied shall be the value when the land is required for public purposes.

EXAMPLE OF SYDNEY

You have referred to what is being done in our great colonies, but I venture to commend to the people of Glasgow the example which you have also set before them. Sydney is no mean city. Even in this great city of Glasgow you cannot set aside the example of a great city of that kind as of no account. Here is the important city of Sydney, with a population of 750,000, which does not levy a single penny of rates upon houses, upon buildings, upon machinery, upon any improvement of any kind, but raises the whole of its local revenue by a rate of 4½d. in the £ on the capital value of the land alone. What I suggest is that what is essentially necessary if you are going to deal with the housing question in Glasgow, Scotland, and Great Britain, is that we should have the power to do here what the citizens have the power to do in New South Wales—that we should be able to transfer our rates partly or entirely as we think proper from buildings and improvements to land values. When that is done, when Glasgow is able to make that great experiment and transfer its rates on to land values, I venture to suggest that a rate which is sufficient in Sydney will probably be found to be sufficient in Glasgow, and that a rate of something like 4½d. in the £ on capital value will enable you to take all your rates off buildings, off machinery, and off improvements, and put them upon land values alone.

HOMELESS AFTER SERVING

I saw before I came away a list issued by what is called the Fair Rent League in London, showing case after case of men who have been fighting for their country and who have come home and who cannot get a house in which to dwell. I believe that same state of things is existing here in Glasgow. Just before the House of Commons broke up for the recess a question was asked as to the number of returned soldiers in Glasgow who were unable to secure a house at any reasonable rent which they could afford to pay. I asked as a supplementary question, whether the number was increasing or was decreasing, and I was told that it would be necessary for me to give notice of that question. It is indeed shameful and scandalous that men who have been permitted to risk their lives for the land of their birth, when they come back here again cannot get a little bit of a foothold in it, not even a house in which they can dwell on reasonable terms.

HOUSING CONDITIONS

It is perfectly true that the Government has got a housing scheme. It is perfectly true that the Government is prepared to spend enormous subsidies for the purpose of building houses. Yet somehow it hangs fire; somehow the houses are not being built. We are now reaching the winter months. Further building will be very difficult indeed. During the coming winter there will, I venture to say, be tens of thousands of men who have been fighting for their native land who have come home here and who will be unable to get a house on anything like reasonable terms. The housing question, difficult enough, God knows, in Scotland before the war, is ten times more difficult now. You have had a Government Report, a Royal Commission, on the housing question which detailed facts with regard to Scotland which made any Scotsman blush with shame—facts with regard to Glasgow, facts with regard to Edinburgh, facts with regard to Dundee, and with regard to Aberdeen—men, women, and little children compelled to herd together in hovels where decent living is impossible—the death rate in portions of Glasgow, of Edinburgh, of Aberdeen, the death rate amongst little children running up to about three times as high as the death rate in the more prosperous parts of the cities. Under the present condition of things there is nothing your municipalities can do to alter it. There is no slum in Glasgow, Edinburgh, or Aberdeen so vile or so horrible that the local authority dare turn the people out, because if you turn them out you merely turn them out on the street, and turn them out to die; therefore they will rather cling to the hovel and all their slums than be turned out and have no place to live at all.

The only effective way of dealing with the housing question is to get a sufficient supply of decent houses for the whole population, and the only way by which that can be secured is to open up the land to the people so that reasonable housing may be possible. It is for these reasons that I commend this resolution to the meeting.

FAILURE OF LAND SETTLEMENT

What is true with regard to housing question is true with regard to settling soldiers on the land. The Chairman knows that in the last Parliament one Bill after another was introduced for the purpose of setting up farm colonies for returned soldiers, and that I and those who worked with us denounced these Bills as shams one by one. They have proved to be shams. The war is over and the men are back. Just before the recess I asked the Secretary to the Board of Agriculture how many men were settled down on the small colonies provided by these Bills. He told me there were just over 200. I asked as a supplementary question how many of these men really had small holdings, or how many of them were merely there as probationers earning wages. He could not give me an answer off-hand, but kindly said he would send it. The reply sent showed that of the 200 more than half are mere agricultural labourers, being paid wages and not in possession of small holdings at all. Therefore of these men who have been fighting so gallantly for the land of their birth and have come back and want to get a foothold on the land, only something like 100 of them have been able to get small holdings under the small holdings scheme of the Government.

A VIGOROUS MOVEMENT WANTED

We require to deal with this whole land question on fundamental lines. I was one of those who took part more than a quarter of a century ago in the great movement in this country led by Henry George, the great land reformer, who made such a deep impression upon Glasgow and Scotland at that time. If Scotland then had been able to manage her own affairs with a Scottish Parliament sitting in Edinburgh, long long before now this question would have been solved. In the generation which has passed since Henry George spoke in Glasgow we would have been able through a Scottish Parliament, bit by bit and step by step, to take taxation and rating off buildings and improvements and put them where they ought to lie, upon land values in Scotland. A quarter of a century has gone. The sentiment is here as it was in Henry George's day. In no part of the country was there a greater response to Henry George's message than in the City of Glasgow. I hope that this Conference here to-day marks the beginning of a new movement, a movement which shall see that the land of Scotland shall no longer be in the hands of the few, who will be able at their pleasure to clear whole glens and dales of the population and substitute deer in their places, with the inevitable accompaniment of your over-crowded cities—your Glasgows, Edinburghs, Dundees and Aberdeens, with their slums and with their sweating—that you will create through a Scottish Parliament sitting on Scottish soil a new and better plan which will say that the land of Scotland will be used for the benefit of the whole people of Scotland, and no longer for the interest and pleasure of a few privileged and pampered members of the community.

THE CHAIRMAN: I have pleasure in calling on Ex-Bailie Burt to second the resolution.

EX-BAILIE BURT said: It is twenty years almost to a day since I presided at a conference in this Hall for the promotion of the Taxation of Land Values. The Hall was even more crowded than to-day, and I think there was just as much enthusiasm.

There are a good many members of representative bodies throughout Scotland present—we have a good many members of Town Councils present. I sat for the Town Council about twenty-five years ago, and in one speech I made I said the whole lot ought to be cleared out. It created a good deal of laughter, if not of enthusiasm, at the time. I see that Lord Fisher has copied my remark. (Laughter.) He says that we should "sack the lot." I feel very much inclined to say the same to-day about our local authorities. If a commercial concern were in a position such as Glasgow is in to-day they would be changing their directors or management very quickly. To read the newspapers, it would appear there is nothing but disaster, bankruptcy before us—the citizens must be taxed, car fares must be increased, the price of gas must go up. The people managing the people's business do not seem to know how to do it, and it is time the people took a hand in managing their own affairs.

"MORE PRODUCTION AND MORE ECONOMY"

Take this question of taxation. You get great politicians making most enthusiastic speeches telling us we must increase production and we must work harder and produce more. And

then we get other men coming up and telling us to economise and consume less. In the name of Heaven, if you are going to produce more, who is going to consume it? (Laughter.) What can you make of men who give you advice like that to solve a great problem like this? These are absurdities they are telling you all the time. They are like the American who devised a scheme for lifting himself by his own boot straps, or like the Irishman who cut a bit off the top of his blanket to cover his feet. They don't appear to have any idea of an economic policy that will solve the problem of poverty and destitution that is facing most people in this country.

INCREASED RENTS

Mr. Henry George foretold what would happen if the land question was not settled, and you are going on to-day, and no politician makes even the least allusion to the land question unless to tell you the great price given for land. I am told that recently warehouses and shops have had their rent doubled and trebled during the last few months, and not a single penny spent on improvement of the buildings or in doing anything that makes a demand for the expenditure of labour and capital—the landlord comes in and reaps two or three times what he reaped before, without putting down a single grain of seed. Where is that value coming from? Who is producing it? Is it the landlord?

TOWN LAND AND GARDEN CITIES

If you go through Glasgow you will see derelict buildings—east, north and south, not so much in the west—and people crowded into slums. When they propose building schemes they must go to the outskirts. The eyes of the fools are continually upon the ends of the earth, they don't look at home. Clear away the slums and build the houses where the people want them, and not have men who work in the centre of the city travelling five or six miles night and morning. It is said that it is not good for people to live in the bad atmosphere in the centre of the city. I go along to the Central Station Hotel and I do not find any bad atmosphere—I do not think I would exchange it for a hovel at Parkhead Cross or Camlachie. You can build as fine and comfortable and sanitary houses for men where their works are as in the garden cities that are supposed to be paradises. To settle the question you want to have houses where the people want them, and at reasonable prices.

THE VALUE OF THE LAND

You get people telling you that the value of the land is a mere trifle in comparison with the cost of the house—it is only about sixpence per annum per room, or, perhaps, 2s. 6d. per room and kitchen, or something of that kind. I saw some figures that were made up as to the valuation of the City of New York, where for purposes of getting an accurate assessment they separate the value of land from the value of buildings. In working it out per head of the population the value of the ground alone comes out at a selling value of over £160 per head of the population of New York. Supposing we took the same basis of figures and then reduced them considerably. Glasgow has a population of a million. If you take the value of the ground at £100 per head of the population, you have a valuation in Glasgow alone of £100,000,000. Five per cent. on that is £5,000,000 per annum. That is to say, that your capital or annual value of the City of Glasgow, taken on the basis of that very conservative calculation at 5 per cent. on its capital value, gives you an annual value of £5,000,000 per year for the City of Glasgow. Where is this five millions sterling going? It is going into the pockets of men who do nothing whatever and are of no more use to this community in the position they occupy as landlords than if they lived in the sun or the moon or some other planet. The landlords of Glasgow don't do anything. They may be useful in some other function, but as landlords and drawers of rent they are of no more use to the community than the man who steals honey out of a bee's hive is to the bees. They merely gather what you produce. It is a necessity that Nature has imposed upon man of satisfying his wants by making and producing, and to do so he must have access to the land in some shape or form, and it is that which gives the landlord his power. He stands at the door of the cellar of raw material and says:—"Before you can have access to this material you must promise to pay me a share of what you produce." He calls it rent. I call it robbery. It may be legalized; but as Mr. George says, there is no title to land or the drawing of rent that is not based on force or fraud. Read any title. They talk about what they did for their country. No doubt they did something for

their country, but they did something for themselves; they seized the country. If men went away to the war thinking that they would get the land when they came back, they have been uneducated people. If they had read history they would have known better. After the Napoleonic wars when they came back what did they find?—their roofs burned off and almost every place where their people had lived turned over to sheep. History is only repeating itself, and it will go on repeating itself until the people make up their minds that this thing has got to stop.

I am getting tired of all the talk about what somebody has to do for the people. Unless they do something for themselves it will never be done—unless they turn them out from their local authorities, town councils, parochial boards, and educational authorities. It will not be done until the people take the thing into their own hands. If the people who are put in power don't do it, then "sack the lot."

THE CHAIRMAN: Before calling upon two gentlemen to speak it may be for the convenience of the conference if I say that after they have spoken the meeting will be thrown open, and I hope there may be plenty of time for discussion. I call upon Mr. John Gordon.

MR. JOHN GORDON, J.P., said: You have heard from the Chairman and the two previous speakers the economic results that would follow if our present system of rating were changed from rental value to land value. I am going to direct your particular attention this afternoon to the special alteration that would take place in our house rating in Glasgow if we were able to make the alteration here. In the Spring of 1914, when the valuation established under the Budget of 1909-10 was still in progress, we were told that the Government authorities, urged by the rating authorities throughout the land and by Lord Strathclyde's platform work, had reached the stage that they would make in certain selected localities an inquiry and draw up distinct tables of the result of transferring rating from one basis to the other, in order that that inquiry might form the basis for their legislative work. That was in the spring of 1914. The war broke out at the beginning of August, 1914. How far that inquiry had advanced we have never been told, and we certainly, up till to-day, know no result from it. What I want to point out to you is that if the Corporation of Glasgow to-day were distinctly of a mind that their own assessment department should take that work in hand, that department could do it accurately within four weeks. Even without their aid we can get some information on the subject, and I am going to impart it to you this afternoon.

The figure I have taken as the total capital land value of Glasgow is rather less than the £100,000,000 which Bailie Burt very properly put before us in his speech as a reasonable estimate. I am erring on the safe side, taking a lower figure than £100,000,000 as the taxable value, assuming that rates were imposed on the value of land alone. I am going to give you certain illustrations showing how the change would affect specific properties. Take first the case of a tenement in the city, in the central district of the city, in which the rents are under £10 value. There must be at least 50,000 such houses in Glasgow. This tenement has an annual rental of £120—total rental of the tenement. It will this year be called upon to pay in local taxation a little under 12s. per £, because, as you understand, houses under £10 are rated lower than those above that value. This tenement will be called upon to pay £64 for the whole lot—landlord's and tenants' rates together. The capital land value of this particular tenement (the value apart from the value of buildings) is £210, and on the absolutely safe basis which I have suggested to you the land value rate on that tenement would be not £64, but £12 odd. There would be a saving of £51, or, divided among 12 tenants, £4 5s. per annum to each—that on a tenement represented by an enormous number of similar tenements in Glasgow.

Another illustration is that of a tenement of houses rented at between £10 and £20, in the northern district of Glasgow. The total rental of the tenement is £240. At 12s. per £ it will pay this winter £144. The capital land value attached to it is £720. The land value rate would be £43, a saving on that tenement of £100—divided among 12 tenants, £8 7s. 6d. to each of a reduction on the rate charged upon their rental per annum.

Here is a suburban tenement with dwelling of £20 rental. It is in the southern district. This particular tenement has a total rental of £155. It will pay this year £93. Its capital land value is £540, and the land value rate would be £32, a saving of £60, divided amongst eight tenants, £7 10s. to each.

Mr. Gordon gave a number of other instances showing reductions in the rate burden, supposing a change took place whereby rates were levied on the land value alone instead of on the rental value of the composite subject. For instance:—

A suburban tenement in the south-western district. Present rental value, £434; existing rates, £260; capital land value, £965; land value rate, £53. This shows a saving of £207 for the whole tenement and a saving of £17 5s. for each house in the tenement.

A villa on the south side. Present rental value, £90; existing rates, £54; capital land value, £172; land value rate, £10 odd; reduction in rates, £43 odd.

The land value in each case is the full site value as ascertained for the purposes of the Finance (1909-10) Act 1910.

Mr. Gordon proceeded: You might say, in view of these reductions, how is the balance to be made up?—after all, the rating authorities of Glasgow must get that sum of £4,600,000. Think of the many sites that you have throughout the city, even in the centre of the city, which have been left all these years in a very shabby and dilapidated condition, a disgrace to the neighbourhood. These sites are not paying anything like the rates that would be leviable under the land values system. If taxed on their real value they would have to be improved or sold to others who would improve them. If the proprietor did neither of these things, he would be obliged in any case to pay for his neglect. And it is the paying for the neglect that goes to make up the balance.

I could give you illustrations of how the paying for the neglect would come in, but I have no time. Rather, I am going to give you a solitary illustration which will suffice. I think that in that leaflet you have in your hands, "A Tale of Two Cities," reference is made to 5,000 acres of unbuilt-on land within Glasgow reported on in 1913. I am not going to refer entirely to the 5,000 acres, but to 2,000 of them which are of the class of accommodation land, the other 3,000 being at that time—and presumably still—used for agricultural purposes. I restrict myself to these 2,000 acres. According to the information we got in 1913—there is no reason to believe it does not hold good still—out of 2,000 acres, covering all parts of the city, some of it in the central and most valuable parts of the city, they stood in the Valuation Roll at £11,000.

These 2,000 acres pay under the existing system a total sum of only £1,600 odd as a contribution to the rates.

But what would these 2,000 acres require to pay if the rating were on a land value system? For the purpose of calculation, I take the 2,000 acres at £1,000 an acre. It includes an extremely valuable piece of land, and the figure is therefore perfectly safe. You reach then a figure of £2,000,000 as the value of these 2,000 acres. Don't imagine you would get them for £2,000,000. If you wanted to purchase them you would have to pay more; but on the basis of that £2,000,000, and applying the same calculations as I have applied, these 2,000 acres would be responsible to hand over to the rating authorities during this coming winter not £1,600, but £120,000. There you see one source from which the fund would be derived and paid into the local exchequer, making up for that saving which would accrue to the tenants of all our housing property throughout the city. The housing problem has reached a stage of acute difficulty, and there is no easy way out of it. We are being forced to resort to temporary expedients to disregard economic considerations which yet cannot permanently be set aside. But this I wish to say, and I hope that the figures that I have put before you will prove that we are in fact only playing with this vital matter of housing if we do not press upon our municipal and Parliamentary authorities to change our rating system from the present basis of rating on rental to rating on land values.

THE CHAIRMAN: I have pleasure in calling upon Mr. Andrew MacLaren. He is not unknown to many of our friends in Glasgow, and he is now adopted Labour Candidate for Wimbledon.

MR. ANDREW MACLAREN said: I have come up from London, where we are carrying on a fight on behalf of the Labour Party: and there we have the same trouble as you are faced with here in Glasgow. I want to tell you a superstition the people have down there. They honestly believe that the rating and taxation of land values is going to be carried through by Glasgow people. I wish that were true, and I constantly rub it in to them that it is true. The housing problem this winter is going to bring the people of this country well within the verge of revolt. You are going to have people parading the streets on winter

nights with no homes, or the alternative of the workhouse. I am one of those people who preach that I am a strict Constitutionalist, but there is a mean between blind revolt and a namby-pamby constitutionalism. I think we have arrived at the time now—I am now speaking to the trade unionist and labour men—when we should demand that this land should come back to the people, every acre of it. But we find that some people, even in the Labour ranks, will say we are not so much land animals now as we used to be—we are capitalist animals, or something of that kind. But the only thing open to us to do at the moment, it seems to me, is to press home the point of how to make it a bad-paying job for those who hold the land out of use. If you make it impossible for men to hold the land out of use, then it seems to me that the capital outlay for building and the capital outlay for land will cease to be a problem at all. I appeal to the trade unionists and the extreme Labour men, as well as to the local authorities to combine in this question of rating and taxing, because if they want cheaper houses then we should reduce the cost of houses as far as possible. Surely rates falling on houses aggravates the cost of them. Reduce the cost by taking the rates off houses, and throw the rates and taxes upon the speculator in land. Then all these problems which are conflicting the minds of men now will have gone a long way towards a solution. I want to say that all the eloquence poured out by advocates of the Rating and Taxation of Land Values will be little felt unless you men join in active agitation. No amount of talk will solve the difficulties the enemy we have to face will throw in the way. Therefore I appeal to you not only to show your sympathy by coming to meetings of this kind, but also by collectively affiliating yourselves with the Scottish League for Taxation of Land Values.

THE CHAIRMAN: The meeting is now open for discussion. One of the names that I have received is Mr. Bruce Murray. I would ask him to open the discussion as representing Glasgow Corporation.

EX-BAILIE BRUCE MURRAY, Glasgow, said: The Chairman has called your attention to the fact that I appear here as one of the representatives of the Town Council of Glasgow. I think it may be wise for me to explain how that unlooked-for circumstance came about. A letter, one of those nice, enticing letters which are sent forth from your body, was read to the Town Council inviting them to send representatives to this Conference. A motion was promptly made that two be sent. I rose and moved that none be sent. Nevertheless, the proposal to send two representatives was carried, and to my astonishment I was unanimously elected to accompany my good colleague, Bailie Muir, whose views are not altogether on this question in accord with mine. I must be perfectly clear that this motion on the part of the Town Council was in order that both sides of the question should be represented at what I understand is a Conference. Allow me to say that I agree very strongly with much that is printed in your circular, and I agree with much that has been said by your speakers in regard to the housing question and in regard to what you term the increase of rates which you say is wide-spread and alarming. There is no doubt at all about it, and the fact calls for every possible suggestion that we can have to see what can be done to improve the situation. I agree with the clamant need for better housing, and I agree also that the policy of throwing the rates upon property, a policy which has been ruthlessly pursued, and which I have always opposed in the Town Council, that that policy has been a wrong policy.

I admit also that the present system of rating is very far from ideal. There is no doubt at all about it. I believe the ideal system of rating is rating on ability to pay—that is to say, that we ought to have, that all taxes ought to be borne by income tax. That, I think, will come some day, but unfortunately, it is a thing which cannot be accomplished right off.

In part of this resolution you have what appears to me a very far-reaching and, I think, extraordinary clause: "That this conference affirms that the land which Nature has provided ought to be treated as common property." Does not that suggest confiscation? Unfortunately the speeches and literature produced by many of your supporters undoubtedly have led the country to that conclusion. You regard those who happen to hold land, no matter how acquired, more or less in the light of robbers. You seem to forget that land from the days of Naboth, when Ahab, the great King, tried to take his vineyard, that land had a market value, was bought and sold. Land as a commodity, a saleable thing, goes far back beyond the days of Ahab. The saleable value of land exists all over the world, in every tribe and nation. It is a system which has existed from

time immemorial. Do you really hope that a system upon which the whole structure of society rests can be overthrown in a very short time by the action of your society? I thank you for listening to one whose views to a large extent are antagonistic to your own.

THE CHAIRMAN: I think I can assure Mr. Bruce Murray that we have been very pleased to hear his statement of the case. The Glasgow Corporation, as he says, has very kindly honoured us with two representatives. Bailie Bruce Murray has said his colleague is not of quite the same mind as himself. In the circumstances I think I shall do best by calling upon Bailie Muir to reply to his colleague.

BAILIE JOHN MUIR, Glasgow, said: When I learned that Bailie Bruce Murray was to be my companion at this meeting, I said: "There is no more honest man in the City of Glasgow, according to his lights." (Laughter.) Whatever the Bailie may be, no man can say that he does not express his opinions fearlessly, whatever they may be. Now, you will see that the theme of the Bailie's objection has been altogether confiscation. It began with confiscation and it ended with confiscation. We have not come here to confiscate anything, not an article that belongs to a solitary individual have you ever heard a single tax man confiscating it. Who do you hear say so? The law that says "Thou shalt not steal," also imposes on you the obligation to keep anybody from stealing from you. (Hear, hear.) I am going to give the Bailie a definition come to in 1885 by a Royal Commission on the very question that is exercising the minds of the people to-day, houses for the working classes. They suggest that rates be imposed upon 4 per cent of the capital value of the land to break the land monopoly around our towns: they told you that by breaking down this monopoly you would have an opportunity of getting more houses on the land. And mark you, it says this value—that is, rent—is not created by the owners of the land, but it is created by the community who live on the land. We are stupified into the belief that rent is a legitimate demand by the land owner on you who dare to come into his preserves and live, you who are a fugitive and a vagabond on God's creation, and you have come too late. We don't confiscate anything in taking rent for communal purposes.

Mr. Bruce Murray says the imposition of the tax should be on income. Here is a man who tells us that we are out to confiscate the landowners' property, and he has no scruples in the world, after a man works hard and has a certain income, to allowing the tax gatherer to come along and plunder the poor fellow. Did you ever hear the like? (Laughter.) The defence of the whole land-owning class is on the basis of justice to a class of individuals who get their income without working for it. That is perfectly evident. Then you are bound to fall back on the fact that they plunder nothing else. And the Bailie defends this class at the expense of decent hard-working men who produce the wealth, and he says, "don't tax the fellow that is robbing you, but tax that fellow that is working hard to produce that wealth."

I have heard it stated by men who represented labour, "We do not want charity." What is it going to be in the case of houses? The Government is out subsidizing houses. What is that but charity? The municipality is subsidizing houses. What is that but charity? People in the poor-house are called recipients of charity. What is it but an extension of the same principle that people not of the lowest class are clamouring and tumbling over one another to get some of these houses at half rent they are worth? We are being pauperized as a community, and the reason is we are not getting justice. It is not only the individual who robs and plunders that you should get rid of, but the institution that is based on plunder. Get rid of it, or you will never be right.

THE CHAIRMAN: The only other name I have before me is Mr. Chapman Wright, who is the author of the pamphlet on Sydney headed "A Tale of Two Cities," which has been circulated in connection with this Conference.

COUNCILLOR P. J. DOLLAN, Glasgow Corporation: I think it is right that the Labour view should be called upon.

THE CHAIRMAN: All right; would you kindly send in your name?

MR. CHAPMAN WRIGHT, Birmingham, said: It has been suggested that Sydney and Australia are new communities, and what they have done is not necessarily a criterion of what we should do. Well, they had what I call the Birmingham system, and it is also the Glasgow system of rating—it includes improvements—for about sixty or seventy years and they became dissatisfied with it. I am not surprised. They then tried partial

rating on land values in 1909. After seven years of partial trial they adopted the new system entirely. That is to say, the City of Sydney levies not one penny of municipal rates on any building, factory, house, machinery, or other improvements for its city revenue. The whole of these things can be built, improved or dealt with in any way without affecting the rate. That has been at work now for three years and there has only been one attempt to go back to the old system, I believe; and the citizen who was put up in support of the old system was simply swamped and kept out of the city council by those who felt that this was a satisfactory system. Why? Well, in the first place it promotes the best use of land. Whether that land is for dwellings or shops, or factories or offices, the owner has to pay according to the land value, and therefore pays according to its proper use. In the next place those who do put land to its proper use cannot be penalized and fined for employing the capital and beautifying the city. I simply suggest that system which has been brought about on these conditions—seventy years of the Birmingham and Glasgow system and seven years of the partial trial of the new system, and then three years of the complete adoption of the Sydney rating as a fair test of an up-to-date method of rating. I do say that a system of rating practically unaltered from the time of Queen Elizabeth to the present day is out of touch with our present industrial conditions. I therefore urge that at any rate an inquiry should be made into the method adopted in Sydney and into the possibility of its being applied in this country.

THE CHAIRMAN: I have pleasure in calling upon Councillor Dollan.

COUNCILLOR DOLLAN: Bailie Burt said that it was something like a Utopian dream to conceive of the building of houses six and seven miles out of the city, and that what we ought to aim at was to clear away the slums and build houses near the people's work. Well, we in the Labour movement know the working classes as well as Bailie Burt does, and they do not want a housing policy of that kind. If land reform is only going to mean that our houses are only going to be built up against public works, then we don't need any land reform, because we have got our houses there already. And it cannot be done, because what is wrong in the working class districts is that there is not enough land in these districts on which to build houses—not enough land in these particular localities. You take the Ward I represent, where there is practically no public work at all, and where the people are congested to the extent of 89 per acre. Suppose you clear away those houses and you were to try and re-house all these people again on that particular site, you could not do it unless by re-creating the congestion that already exists there. You have got to spread the people out.

A MEMBER OF THE CONFERENCE: Bailie Burt never made such a statement.

COUNCILLOR DOLLAN: He may not have done so intentionally, but he said we ought to clear away the slums and build in the city where the public works are. If it is good that a working man should be housed against a chemical factory, why should it not be good for the employer?

There is no conflict between what we want and what the advocates of the Taxation of Land Values want. The Taxation of Land Values, if carried into effect, will make it possible for the people to be spread out, do away with congestion, abolish slums, and enable the working classes to get a housing environment at least approximating to that which obtains for instance in Pollokshields and other parts of the city.

The only party in Glasgow standing whole-heartedly for this policy is the Labour Party. We agree it does not go far enough. It only clears the issue and the people will then insist that having got rid of the land robber they will have to get rid of the interest robber.

Recently in the East End of Glasgow we wanted land for building that had been lying idle for years. It is in the Valuation Roll at 19s. an acre, but they wanted the city to pay £300 per acre. Some of us opposed that in the town Council, and we were told we were keeping back housing reform. Unless you make a stand against that robbery and direct the attention of the public to it, the Government will do nothing to bring about reform.

In the Maryhill district, for a piece of land rented at 6s. per acre, we were asked a selling price of £500 per acre. The only way we will get these things remedied is not by appealing to the Government, or even to the Town Council, but by taking Bailie Burt's advice and clear out the Government and clear out the Town Council, sending men into both assemblies who have no respect for the profits of landowners or capitalists, but who will

use the power of both organizations in the interests of making the land accessible to the people so that it will be a storehouse of wealth in which all the people will share.

GENERAL DISCUSSION.

A general discussion followed. One delegate said they should go back to their trade union branches and give as good a report as they could and form themselves into committees to help those in Parliament who were working for the cause.

Another delegate criticised the resolution and said if they were out for nationalization of the land they should say so distinctly. He was out for the socialization of the land, and not the nationalization. He would ask them to put the issue straight, and say that the land should be returned to the common people, who were the proper owners of the land.

THE CHAIRMAN: The point is perfectly straight that the Taxation of Land Values simply means that those who hold the land should pay rent for it to the public, and that the rent should go to the people instead of to the private land owners. I have now to put the resolution to the meeting.

A show of hands was taken, and the Chairman declared the resolution carried with but three dissentients.

COUNCILLOR STEPHEN HENDRY, Glasgow Corporation, proposed a vote of thanks to the speakers and to the Chairman.

Mr. RAFFAN: Let me return thanks for your thanks. We hope that the result of this Conference will not pass away with our dispersing. The gentleman who spoke so ably from the back of the Hall pointed out that those who are here as representatives will go back to the bodies they represent and endeavour to secure an agitation which will result in this reform being brought about.

THE CHAIRMAN: The success of this meeting is due to your friend, Mr. Busby, the Secretary of the League, who has taken so much trouble in connection with the Conference. (Applause.)

AN APPEAL FOR FUNDS TO DEFRAY THE COST OF THE GLASGOW CONFERENCE

A circular appealing to all concerned to subscribe to the cost of the Conference has been issued in the following terms:—

DEAR SIR,

The Scottish League for the Taxation of Land Values beg respectfully to bring before you the question of the cost of the above Conference. **The expense has been considerable, over Sixty Pounds,** and we feel sure that you would like to have the opportunity of contributing towards it.

The success is freely admitted. It is the intention of the League to vigorously continue this propaganda at the Municipal Elections in November, and carry on till the General Election in Glasgow in November, 1920.

This success, and the agitation that has arisen all over the country on the alarming increase of rates, is in no small respect due to the past work and expenditure of our organization, and we cordially ask you to subscribe to the cost of this important event on the way to the rating of land values.

A full report of the Conference will be published in November LAND & LIBERTY, which will be sent to all authorities and delegates and subscribers.

Yours faithfully,

JAMES BUSBY,

Secretary.

All communications to be sent to James Busby, 67, West Nile Street, Glasgow.

NATIONALIZATION AND THE LIMITS OF STATE ACTION

A well-attended meeting of members of the Conference and their friends was held in the Board Room of the Central Station Hotel on Sunday afternoon, the 12th October.

Mr. W. R. Lester, M.A., read a paper on "Nationalization," which provoked a keen and instructive discussion. Introducing the speaker, Mr. J. Dundas White (who presided) said, there are important practical questions that have to be faced before ideas can be translated into satisfactory practice. If we take, for instance, the question of the nationalization of mines, it is common ground, I think, that the plant and improvements and things of that character, if taken over, should be taken over with compensation given for them. But when it comes to the question, which is much more important, of the ungotten minerals, which the present landowners did not put there, then the point arises: whether these minerals should be regarded as belonging rightly to the present proprietors or to the community? One might make similar observations about the nationalization of the railways.

Mr. LESTER, in his address, said: Wherever competition is impossible, public control ought to come in; it ought to operate wherever competition is eliminated, wherever conditions exclude free competition. That is the proper sphere for public action.

After all, what is competition? It is often held up to one as something that ought to be suppressed, something that is an enemy to society. One or two friends yesterday referred to private enterprise as if it ought to raise a howl throughout the whole audience, as if there was something reprehensible in the competition of private enterprise. But that competition is surely effort to render service. The man who renders the best service is, under natural conditions, the most effective competitor. In other words competition is really co-operation, is association, provided it is free.

But the kind of competition we are suffering from to-day is where 20 men or women are struggling for only one prize. That is what I call a spurious kind of competition, and that is the kind of competition of which we must get rid.

In regard to the coal industry I repeat the distinction which was referred to by our Chairman. In the mines there are two distinct classes of things—the minerals placed in the bowels of the earth by Nature herself, and the plant that capital and enterprise combined have put here. The Prime Minister, in his recent reply to the deputation from the Trades Union Congress, also made that distinction; but he went on to make a horrible mess of things by saying that wherever the State acquires anything, all kinds of property, including in the mines the minerals, must be compensated to the full. There comes the trouble. I cannot see where the working classes generally can hope to get any benefit from nationalization if compensation is going to be given for all the income now enjoyed by individuals as owners of minerals and mining rights.

As to the question which is immediately before the country to-day—that of the nationalization of the mines—it would be very desirable if we could only get the public to realize the composite nature of the subject, that there are in every mine, first, the raw material, second, the plant and machinery, and the enterprise involved in the sinking of the mine; that one of these subjects—the minerals—lies there independent of anything that any man has ever done or can do, that they are there as the free gifts of Nature, that that subject is therefore a fair and appropriate subject for nationalization; but that, having nationalized it, we ought to leave the skilled men whose business it is to work and manage the mines, we ought to leave them alone. That I think is the true solution.

The proper and the only way to establish national property in the minerals is to declare that any man, body of men, or company, who exploits these minerals shall henceforward pay rent for the privilege they have acquired, not to a private individual as at present, but to the public exchequer. Having done that, we would have nationalized the minerals. Every man then, down to the poorest in the land, would become part possessor of these minerals, these gifts of Nature, and in that way equality of opportunity would be secured. I think that with the world in its present condition we are running a grave danger of the breakdown of society. It appears very much to me that the bureaucrats, the men who want to nationalize everything, to have everything under public control, are to come into power.

Let us never forget that private enterprise has its useful