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REVOLT IN THE HIGHLANDS

"What's the use of us labouring hard to improve our holdings and make them as decent as possible if it simply means that the assessor will come along and tax us for our trouble."—A Banavie crofter, in an interview, *Scotsman*, 28th August.

THE CROFTERS in the Highlands are protesting against the claim of assessors that their houses must be entered as a separate subject in the valuation rolls and be so assessed for local taxation. In Inverness-shire and Skye the protests have grown to a real revolt which is reminiscent of the crofters' agitation in the 'eighties of last century against landlord oppression, the rack-renting of their own improvements and the evictions. They got their charter in the Crofters' Act of 1886, which included fixity of tenure and fair rents fixed periodically by a judicial tribunal with compensation for improvements made by themselves. The background of all this was the historic Highland clearances which drove the clansmen from the glens and straths with the outlying grazings which they had possessed from time immemorial, and dumped them down on the scraggy seashore.

The position of the crofters with regard to rates is that they have been assessed only on the rent payable to the landlord under the general provisions of the Valuation Act of 1854; and as the rent fixed under the Crofters' Act could not include the crofters' buildings and improvements, these buildings and improvements were automatically freed from rates. The Crofters' Act was extended with certain modifications, by the Small Holders' Act of 1911 to all agricultural holdings of a rent not exceeding £50 without limit as to extent or not exceeding 50 acres without limit as to rent; and the practice of exempting all the improvements, including the dwellings of crofters and small holders acquired or made by themselves, has been continued to this day, when a new interpretation of an old law came to cause all the present trouble.

Intervening in this legal development was the amendment of the Land Valuation Act in 1895 which provided that buildings and improvements made by lessees (and in the 1911 Act the crofters and small holders are treated as lessees), were to be entered in the valuation roll as the property of the lessees for separate assessment, *but this proviso did not apply to "any erections or structural improvements made or acquired for agricultural purposes by the lessee of subjects wholly or mainly agricultural."*

That 1895 law was passed forty-two years ago and the question whether a crofter's house did legally enjoy the benefit of that exemption never arose until last year

when the Assessor of Inverness entered the houses on certain holdings at Inshes on the valuation roll, contending that they could not be regarded as erected for agricultural purposes but were erected as residences. The matter was taken to the Valuation Appeal Court and decision was given in favour of the assessor who, now obeying the law as newly interpreted after forty-two years of operation, intimated to all the crofters and small holders that their houses were being entered in the valuation roll. The crofters on their part contend that the decision of the Appeal Court was particular to certain holdings and does not apply in their case; that in any event it is in direct conflict with the principles of the crofter legislation and is monstrously unjust. Many hundreds of them simply returned the assessor's new valuations with "refuse to pay" written across them, and the standard they have raised is "not a penny of taxes on our houses."

Assessors would not be so keen to hunt out every building and improvement for taxation and this hornets' nest would probably never have been raised, if the Derating Act of 1925 had not been passed. They are driven to it in their search for what to tax. That Act has made all the more serious the state of affairs under which the burden is thrown upon the builder and improver, while those who enjoy and collect the land values in both town and country escape. And in place of the local taxation that ought to be levied on land values with exemption of all houses and other improvements, the burden of other taxes is increased which Parliament levies to subsidise the local authorities; so that for the sake of the landed interest and the protection of its privileges the burden is shifted back upon the consumer and householder. This indirect and disguised taxation for the support of the County must take a very material part of the crofter's meagre budget and a greater part the lower his income is. Those are the injustices that belong to an iniquitous land system.

Meanwhile the crofter sees his charter of freedom from rates on his house withdrawn and anything may happen once his house is on the valuation roll. At the lowest, if he is a genuine crofter earning his livelihood wholly or mainly from the croft, his house will be assessed at one-eighth of the rental, he paying both owner's and occupier's rates. It was incidentally a curious part of the Appeal Court's judgment that although by the Valuation Act as now interpreted, the dwelling cannot be regarded as an "erection or structural improvement made or acquired for agricultural purposes" on land "wholly or mainly agricultural," it is to rank as an accessory to the holding and as an agricultural subject is entitled to be assessed at one-eighth of the rental. If, however, the crofter ekes out his income by other work than cultivating the holding or by letting rooms to summer visitors, he is liable to be assessed at the full annual value and pay full rates both as occupier and owner. It is this that has caused the greatest resentment, the crofter seeing exactions thrust upon him from which he has always been free as the improver of the land, which, he maintains, cannot justly be imposed and which it is beyond his ability to meet.

At Fort William, Kingussie, Lochmaddy and Portree, the local valuation committees have given decision in favour of the crofters in the great majority of cases.

The houses are not to appear in the valuation roll except in special circumstances such as where the occupant is gaining the greater part of his livelihood from other sources than the croft or where the house is larger than the holding requires. The crofters have won the first round, and they are banding themselves together to fight their cause through the superior court on appeal by the Assessor.

The crofters have aroused public attention not only on their own grievances but on the anomalies and injustices of the whole rating system. They plead that it is wrong to tax houses—their houses. So it is wrong to tax any and all houses, or any result of human endeavour. If the crofters turned their eyes to the right source of the public revenue, the value of land which is communally created; and if they will take the same stand as did the Danish Housemen (the counterpart of Scottish crofters), when their homes were similarly threatened with new burdens, demanding no favours for themselves but the equal social justice for all which would come by the taxation of land values, they would do a mighty work for the redemption of the Highlands and of Scotland and England as well, from the curse of the land monopoly.

Let then the revolt of the crofters proceed and be carried further, to ask and solve such questions as why the crofts are where they are, and why it is that nearly one-fifth of the area of Scotland is devoted to deer forest and sport. Commission after commission has sat on the question but nothing has been done and to-day the distress in the Highlands cries out for redress. If any one wanted demonstration of people being driven by land monopoly to the margin of production and a complete proof of the argument of *Progress and Poverty*, one has it in these Highlands. As Sir Edward Baker wrote in his book, *The Highlands with Rope and Rucksack*, "Unemployment, decay of agriculture, poverty, the worst housing conditions in Britain, emigration, and rural depopulation have been the inevitable consequences of the evil work that began with the barbarous clearances of the highland peasants a hundred years ago. . . . There must be something vicious in an economic system the by-product of which is that amazing anachronism, a country the size of the Highlands stripped of its inhabitants, its natural resources squandered, and the whole turned into a rich man's preserve. Is there anything like it on the face of the globe?" But it is the fashion among the unthinking to pass over the clearances as an historic fact that is now over and done with, its cruelties and its miseries as well as its economic effects belonging only to the time when it happened. It is not so. Scotland is a conquered country under the dominion *now* of the conquerors. To-day the people are being shut out from the means of a livelihood which being opened to them would resolve the distress as the snow melts in the sun. There is every day a clearance where the monopoly price of land forbids access to the user and the cultivator, where men are driven to occupy less productive land than what is available, like the 300,000 acres which the Royal Commission of 1892 scheduled as suitable for new crofters' holdings, for larger sized farms and for additional grazing to existing holdings. At that time the area under deer forest was 2,472,133 acres. Since then the area has grown by a

million acres. That is the crofters' case and into these wider considerations we hope the crofters' agitation will be taken.

LAND NATIONALIZATION

EVIDENTLY SOME members of the Labour Party are not too happy about its proposals for land nationalization. In *Forward* (28th August), Mr Arthur Woodburn, Scottish Secretary of the Labour Party, devotes an article to this matter in which he takes occasion to jibe at "theoretical socialists who limit their activities to dogma" and those who miss "the good old wholesale denunciation of capitalism."

Mr Woodburn says that there are three questions involved in land nationalization: (1) the ownership of the land, (2) the income from the ownership of land, and (3) the use of the land. These, he asserts, cannot be dealt with either on the same principle or at the same time.

The question of ownership he considers can be dealt with immediately by purchase, and this "requires no money at all." If the land is worth £1,000 the owner receives a Land Stock certificate valued at £1,000. The State collects the rent and the landlord receives interest of a like amount on his bond. "All that has taken place is that the land has been nationalized. The owner's income is untouched—and we may, on grounds of expediency, even be generous in our compensation and increase it." At another point, however, Mr Woodburn says that "the State will gain no income and the capitalist (*sic*) will lose no income by the mere fact of nationalization."

Let it be observed that the tenants and occupiers of land—the great majority of the population—do not come into the picture at all. No account is taken of the fact that the rent of land—of all land—is increased by reason of the holding of land out of use. No prospect of redress for this fundamental evil is held out. The occupiers of land will also, it would seem, continue to be penalized by the present system of rating which taxes the occupier for every improvement put on the land. (Incidentally, as Mr Woodburn is concerned with a Scottish audience, we may ask him what will happen to the Scottish system of rating under which one-half of the rates are collected from the property owners?)

As to the second point, he says that "dealing with income involves violently controversial opinions, means tests, justice and many other aspects which would make a speedy settlement impossible." No wonder that the "theoretical socialists," the preachers of "pure socialism" are agitated. A few sentences later on Mr Woodburn says that "the question of redistributing existing income is relatively unimportant" and that it would be "tragic if the real steps towards socialism are delayed by wholly unnecessary wrangles over taxation, confiscation, etc."

Yet again he quotes with approval from Lenin: "By means of confiscation alone you can do nothing, for in that there is no element of organization, of accounting, of correct distribution. We shall readily substitute for confiscation the levying of a just tax." Mr Woodburn, however, proposes to substitute for confiscation not a just tax but purchase, and this, as he