

## THE NATIONAL CONFERENCE ON THE RATING OF LAND VALUES

TRADES' HALL, GLASGOW, 18th September, 1920

Under the auspices of the United Committee and the Scottish League for the Taxation of Land Values, a National Conference to promote the Rating of Land Values was held on Saturday, September 18th, at 3 p.m., in the Trades' Hall, Glassford Street, Glasgow.

The following Resolution was unanimously adopted:

This Conference condemns the present method of raising local revenues, because it imposes an unjust burden upon wages and the earnings of industry, obstructs trade and commerce, promotes bad housing conditions, and enables those who own the land to appropriate, in higher rents and land prices, the benefits of good government and municipal expansion;

this Conference declares that the value which attaches to land, apart from improvements, is the natural and proper source of public revenue, and that rates should be levied on the value of land whether it is used or not—all houses, buildings, machinery, and other improvements being excluded from assessment;

this Conference further calls upon the Municipalities and other Local Rating Authorities to apply for Parliamentary power to rate Land Values; and, in order that this reform may be instituted without delay, to demand that Government shall cause the Land Valuation to be completed, revised, and made available to the public;

this Conference also affirms that the essential first step to the Rating of Land Values is to procure for each town and district the records of the Land Valuation already made; and urges the Municipalities to demand from the Government the facts and figures relative to their respective areas.

The last paragraph of the Resolution was added as a rider during the course of the proceedings.

Ex-Bailie Peter Burt, J.P., President of the Scottish League was in the Chair. The Resolution was moved by Mr. Tom Myers, M.P., seconded by Mr. A. W. Madsen, B.Sc., and supported by Mr. P. Wilson Raffan, M.P.

More than 500 persons attended, including 330 delegates representing 150 bodies—Town and Parish Councils, Ward Committees, Co-operative Societies and Guilds, Trades Councils and Trade Unions. Among the Town Councils represented were Glasgow, Dundee, Inverness, Salford, Hackney, Shoreditch, Kilmarnock, Dunfermline and Rothesay.

Apologies for inability to be present were received from Sir Henry Ballantyne, Peebles; Mr. J. Dundas White, LL.D.; Councillor J. Bruce Murray, Glasgow; Councillor J. R. Rutherford, Kirkintilloch; Mr. R. E. Muirhead, Scottish Home Rule Association; Rev. Jas. Barr, B.D. and John Gordon, Glasgow.

THE CHAIRMAN, after welcoming the delegates, explained that the Conference had been convened especially in view of the forthcoming municipal elections. In recent years they had seen an enormous increase in the rates and the burden of this taxation upon industry had reached breaking point. In Scotland, recently, there had been a widespread agitation against the increases in rents permitted by the new Rent Restriction Act. There had been a great strike and the cry of a "no rent" campaign had gone up. That movement would have shown much greater wisdom if it had organized a strike to enforce a change in the rating system—a strike against rates on buildings and improvements. They had to suffer the effects at present of

taxes that made houses scarce and dear, and raised rents by exempting valuable land from taxation.

The Resolution to be submitted to the Conference called for the Rating of Land Values, and he wished to give those present an indication of the great source of revenue which was available in the value of land, but which was being taken from the public and devoted to private use. In Scotland they had fully 19 million acres of land, and out of that there were 154,338 in burghs. The burgh population on the average was 20 to the acre, but in the rural parts there was 11½ acres to each individual in Scotland. The value of rural land was, on the average, at least £10 per acre, which gave £115 per head of the population as the value of bare agricultural land. When they came to burghs it was quite a common thing for land to be sold at 10s. per square yard. The selling value of the site of Glasgow without buildings would be about 116 millions, and at 6 per cent. they had practically seven millions as being paid to the men who owned the site on which Glasgow was built. The total taxation in Glasgow was three millions, and if they put their taxation on the value of the land they would relieve every taxpayer of the total burden of taxation pressing upon him.

MR. TOM MYERS, M.P., proposing the Resolution, said the Conference was indebted to the Chairman for his brilliant speech. He felt that it was hardly necessary to make any further statement of the case from the platform and the Conference might begin the business of questions and discussion right away. They would all agree on the necessity of a Valuation of the land as set up by the Budget proposals of 1909. Mr. Myers referred to the work done by the Valuation Department. It had valued the whole surface of Great Britain, making assessments for each of the ten or eleven million separate hereditaments. It was a stupendous work. It was a record of the values of land as on 30th April, 1909, and a mass of other useful information had been collected. The next step was to revise the valuation to bring it up to date, and to make it available as a basis for rates and taxes on the value of land. The reason was obvious—Land Values were a social product and should be returned to the social advantage of the community.

To illustrate how valuable land is withheld from use, Mr. Myers referred to the experience of the Town Council of which he was a member. The Allotments Act had given them power to enter upon unoccupied land, which was defined to be "that land which was paying no rates." The Borough Treasurer was instructed to discover the plots which paid no rates so that they could take possession and let off the land for allotments. The result was a revelation. It was startling to discover the number of plots that paid no rates at all. They were found by the score in every corner of the district waiting for a prospective purchaser at prices measured by hundreds of pounds per acre.

In concluding, Mr. Myers declared that the land was the common heritage of the people. They should argue the case on that basis. The full and complete advantage of land ownership should be in the hands of the community.

MR. A. W. MADSEN seconded the Resolution. He said that the basis on which rates were now levied was the rent which a tenant would give if the property was let for a year in its existing condition. That was the rating law and assessors could do nothing else but administer it. They were bound to value well-equipped and modern premises at a high figure; they had to take note of all improvements and assess them for additional taxation; derelict or out-of-date premises which "in their existing condition" would command only a nominal rent were valued correspondingly low; and vacant land was not valued at all. In Scotland the valuation or assessment roll was made up once a year, and in Glasgow, for example, the valuation had just been increased by £1,500,000. That meant that the taxation of all buildings, houses and improvements in the City had been rigorously provided for; and the higher valuation of all the used land was to be contrasted with the nominal value at which all the land, which was under-used, continued to be rated. Was anything better calculated to encourage the owners of vacant land to hold for higher prices still? Was anything better calculated to punish enterprise, to prevent house building and to promote unemployment?

Every town and district could provide striking instances of the injustice of the present system. To quote only one. There was a case reported in the current issue of *LAND & LIBERTY*. Part of the golf links at Acton was purchased for a housing site. The land covered 58½ acres and the price was £33,000. The whole of the links was rated at £205 per annum. The annual "rateable value" of the 58½ acres was less than £4 per acre and the market value of that land was £560 per acre—more than 140 times the rateable value. What the Resolution contended for was that, accepting £560 as the market value, the land should have been valued and rated at that figure and not at a rateable value of only £4 a year.

The Resolution demanded a complete change in the basis of rating, and declared that the value which attached to land apart from improvements was the proper and natural source of revenue. The value of any piece of land was the amount which the fee-simple would realize in the open market if no improvement had been made on that land. It was a value due in no case to the exertion or expenditure of either owner or occupier, but was due to the opportunities which the land provided for business, trade or habitation compared with the opportunities afforded by other land available for similar purposes.

It might appear to some as an anomaly that, if buildings and improvements were no longer taxed, the value of the land alone would suffice to produce the necessary revenue. You complain in Glasgow of the heavy burden of a 17s. rate on land and buildings; you propose to exclude buildings; how then, it may be asked, will the land provide enough? The reply was that the 17s. rate was based on the "rateable value" which was not a valuation at all. It was only called so by courtesy. It was just a rough-and-ready register of the rents paid, or likely to be paid, for premises if let for a year in their existing condition. It did not reveal the true value of land or of buildings whether taken together or separately.

As an instance of the unreliable nature of "rateable value" as any guide to real value, a statement was made on the 12th June, 1913, by the then Lord Mayor, Sir Vezey Strong, who said that a 3d. rate on Land Value would add £1,250,000 to the annual burdens of the City of London. That estimate was probably as acceptable as any, and a simple calculation (based on the then annual amount of rates) gave us a figure of £249,347,000 as Sir Vezey Strong's idea of the capital land value of the City. That corresponded to an annual Land Value of about £12,000,000. Yet the then "rateable value"

of the City (land and buildings together) was only £5,759,300.

There was no need, however, to fall back on such estimates. The separation of land from improvements was done in practice in making the valuations in most cities and counties in the United States. It was almost universal in Canada, and was absolutely so throughout S. Africa, New Zealand, Queensland and New South Wales. There practical valuers testified that the difficulty was not in assessing the value of land. That was an easy proposition. The difficulty always was in valuing the buildings and improvements, and the problem was still greater when these were slumped together with land value.

Anyone could consult the statistics showing the results of these valuations. In Boston, U.S.A., for example, a city with a population of 800,000, the assessed selling value of the land alone (at \$4.87 to the £) was £155,000,000. That corresponded to £194 per head. If we wished to estimate the land value of British cities, say of Glasgow, the wealth of statistics from other countries provided ample material. Of course, one must compare like with like, and Boston and Glasgow were types of cities similar at least in most respects. No objection could be taken to such a criterion as the average value per head of population. It was reasonable to say that the total wealth produced in two industrial cities of like population and covering about the same area was the same; and wages and interest were likely to be the same. Deduct wages and interest from total wealth produced, and Land Value remained. As a fact, wages in Glasgow were, if anything, less than in Boston, and if interest might be taken to be the same, the Land Value of Glasgow was probably more than the Land Value of Boston per head of population. The Chairman of the Conference had really placed the Land Value of Glasgow (which had a population of more than a million) at a very conservative figure. If it were carefully assessed by a competent staff of valuers it would probably be found to be in the neighbourhood of £180,000,000, corresponding to an annual Land Value of £9,000,000. There was no doubt at all that the value of land was sufficient, and more than sufficient, for public purposes. They could set industry free, and prevent the benefits of good government and municipal expansion going to private individuals, if only they were able to levy taxation on the value of land.

MR. P. WILSON RAFFAN, M.P., supporting the Resolution, remarked that those who advocated that reform so long and earnestly need not despair because of what happened in the House of Commons on the Budget Debate.

There was not the slightest indication that the people of this country had gone back upon their desire that there should be a measure for the taxation and rating of land values. They decided in favour of that proposal at the General Election of 1910, again in December of the same year, and he asserted that whatever mandate was given to the Government at the General Election in December, 1918, there was no mandate to scrap the Taxation of Land Values. He recalled Mr. Lloyd George's declaration in January, 1914, at Glasgow, at the zenith of the great land campaign Mr. George was then conducting:

The valuation under the Act of 1909 secures for the first time a real valuation of the land and of the structures thereon separately, and I can assure you we mean to make use of that valuation. I cannot imagine there being any doubt in anyone's mind on the subject. I wonder why they think we have that valuation unless we mean to use it. The Government have already, through the chief (Mr. Asquith) accepted the principle of the Rating of Land Values and they intend to give effect to it by legislation.

From then until the present the Prime Minister had never said a word in debates or in the country to indicate

that there was any justification for the statement, alleged to have been made on his behalf by the Chancellor of the Exchequer, to the effect that he had made a mistake with regard to the matter. If the Prime Minister had made a mistake upon a question to which he attached such tremendous importance, he ought not to make his apology by deputy, but he ought to make a statement himself to the people of the country, and inform them what the mistake was.

Was the mistake Mr. Lloyd George made the mistake of thinking that there was revenue to be obtained from land values? Mr. Raffan ventured to say that so far from the land value of the country having gone down during the war, the land value of the country had more than doubled.

He did not know how far they might be from a General Election. The Government were likely to remain in power for some considerable time, and they were not likely to make a voluntary appeal to the country. The election might be three years ahead. But they were not going to wait for three years. If they could not raise effectively the question of taxation they could raise the question of rating, and he suggested, in concluding, that the best service they could do was to make that a test question at the municipal elections in Glasgow in November.

MR. CHARLES E. CROMPTON rose to propose an addition to the original Resolution as follows:

This Conference affirms that the essential first step to the Rating of Land Values is to procure for each town and district the records of the Land Valuation already made; and urges the Municipalities to demand from the Government the facts and figures relative to their respective areas.

He said that the Land Valuation Department had made an assessment, for the whole of the country, of the value of land and improvements in respect of each separate piece of land. Whether the valuation was provisional or settled, the record was complete, but the Government had refused to compile and publish the totals, making the excuse that the necessary expense (£40,000) would not be justified. He reminded the Conference that the facts and figures for every piece of land in each district were filed at each District Valuation Office. They were in the care of the District Valuer, a civil servant employed by the Inland Revenue Commissioners. There in Glasgow, stowed away in some room, were most valuable and important data. A few clerks in a few months could let the people of Glasgow and the Glasgow Corporation know what was the general result of the valuation. They could produce the figures showing (as on 30th April, 1909) the aggregate value of land, full site value and assessable site value; the aggregate value of buildings, feu duties and so on—in fact, all the information which would make it possible to compare the proposed change in rating with the existing system. The papers were there. It was only the case of making a simple sum in addition. The Government had decided to keep all this material data secret. The ostensible excuse was the expense; the real reason was obvious. He urged those present at the Conference who represented local rating authorities to insist that they get these particulars each for their own area, and, if need be, to offer to pay for the work. The Government could be obliged to open the doors of these valuation offices and allow the totals to be published. He had pleasure in proposing the rider to the Resolution.

Mr. Crompton's motion having been seconded, a number of delegates took part in discussion, which continued for three-quarters of an hour. Among those who spoke were Councillor Timms of Shoreditch, Mr. Dunkley of Birmingham, and Mr. John Paul.

At 5.30 the Resolution, as added to, was put and carried unanimously. On the motion of Bailie John

Muir, Glasgow, a hearty vote of thanks was accorded to the Chairman for the able way in which he had presided over the Conference.

#### HENRY GEORGE COMMEMORATION

On Friday, September 17th, at 8 p.m., a Henry George Commemoration meeting was held in the Board Room of the Y.M.C.A., Bothwell Street, Glasgow. About 100 ladies and gentlemen were present, including members of the Scottish League and friends, and many of the delegates who had come to attend the National Conference. The Chairman of the Conference, ex-Bailie Peter Burt, presided.

Mr Charles E. Crompton was the speaker of the evening and delivered an inspiring address on Henry George and his message to the world. He pointed to the chaos and unrest of the day, and asked the question, What were Single Taxers doing to bring before an almost distracted world the message of Henry George? There was a cry for leaders with courage and grit and for Parliamentary and Municipal action. The philanthropist, who was out to heal wounds and bring food and clothing to the hungry and the naked, seemed to be in the way of the level-headed business man who was out for safety first. Let us have security, others cried, and the Press seemed to be hounding everybody on to do something or other, no matter what. Motion was mistaken for progress, and high prices, increased production, wages boards, unemployment, housing, organisation, Whitley Councils, and Nationalisation, were all bumping up against each other like voices jangling out of tune. Books on reconstruction after the war were now on the remainders' bookshelf and plain people were fast coming to the conclusion that something disastrous would happen before the menacing clouds rolled by.

An abiding cause of the trouble was to be found in the hidebound custom of doing our thinking by delegation. Henry George long ago put his finger on this weak spot in our equipment, and his great book was an appeal not to rely on authority too much, but to examine and judge for ourselves. As to his message, outside our own sphere of action, there was everywhere an ominous silence. Could any Single Taxer doubt at this time of day that the reason for this attitude of mind on the part of those who knew better, was that there was no answer to the argument that land monopoly was the nigger in the wood pile?

After all, what man wanted was food, and clothing, and shelter, and these he could only procure by his own labour. The skill and the labour power necessary was in abundance, and so were the natural opportunities without which labour could not produce anything. There we had Henry George's gospel in a nutshell, and his indictment of the law-made institution that stood between man and his natural reservoir was what banded us together as his disciples. Henry George did not claim that he had found a cure-all for social ills, and neither do we. What he did say was that until this bottom wrong was righted, until man's relationship to the wells and fountain springs of industry bore some relation to justice as between man and man, all other plans for social redemption counted for but so much foolishness. In the field of Political Economy he built up his unanswerable argument, and he could point to the facts of our experience to amplify and justify it to any fair-minded and unbiased student.

We must look to education, and to that alone, to carry us forward, we are told by those who speak from the high places. Yes, let us have all the education at our command, but let us bear in mind our Teacher's reflection that though the schoolmaster has been abroad some time, the general power of tracing effect to cause does not seem a whit improved. This bitter reflection was made by the author of *PROGRESS AND POVERTY* forty