

HISTORY

Site value rating in Scotland

Agitation for land reform was much in the air in Scotland in the 1880s having been sparked off by such events in Ireland as the Land War. However, its history lay much earlier with the Highland Clearances and with anger at the indifference of the government in London where important Scottish legislation often failed to get through for lack of a quorum in the House of Commons.

In 1782 William Ogilvie, an Aberdeen University professor, had published an essay *Birthright in Land* which brought the matter into the political arena, but it was not until the ideas of Henry George took root did Scotland start to formulate a coherent land policy.

In Skye, where lands which had been common pasturage were now subject to rent, a revolt by crofters brought in the police, gunboats, violence and arrests. The Highland Land Law Reform Association from Inverness and the Land League in Ireland were probably behind the ensuing campaign for reform.

A Royal Commission was set up and a Crofters' Bill was brought in to implement some of the Commission's recommendations. It was not until 1886 that a revised remedial Bill received Royal assent and fair rents, fixity of tenure and in some cases the right of crofters to acquire land by compulsory purchase became law.

Henry George had visited Skye in 1884 speaking at Portree, Glendale and Uig before going on to Glasgow where its citizens realised that land reform was not just something that affected the Highlands, but was a very urban matter as well.

By 1888 "land-value taxation" and the "single tax" were common slogans and later on when it was seen that local government might be the vehicle for reform, the label "site-value rating" appeared.

Henry George was in Scotland again in 1889 and on April 28 spoke to a large crowd at the City Hall, Glas-

gow. The Scottish League for the Taxation of Land Values was formed to publicise his message. By 1890 the Glasgow municipal council was examining site-value rating as a serious proposal, but when put to the test in June 1891 it was defeated by the casting vote of the Lord Provost.

Curiously enough the House of Commons was not unsympathetic to these Scottish aspirations and a Bill to allow Scottish local authorities to introduce site-value rating passed its second reading in June 1905 only to

fail because of lack of Parliamentary time. A Bill for the valuation of land in Scotland was passed by the Commons but rejected by the Lords in 1907. The Lords wrecked a similar Bill in the following year.

In 1909 Lloyd George introduced his People's Budget with its ill-fated attempt to introduce a national land-value tax. After that, although there remained in Glasgow a strong movement in favour of land taxation, Scotland came no nearer this goal than did England.

Paying our public servants

W. H. Pitt, Nunawading

The basic fact is that labour produces everything and the basic principle in both private enterprise and the public service alike is that the labourer is worthy of his hire. From this it follows that the revenue needed to meet the cost of government should be set by the worth of the facilities that governments supply.

While the products of private enterprise come in smallish parcels, those of government come as an indivisible 'basket of services', the value of which appears at each location as a site rental - high figures for close-in, fertile, or mineralised land and lower ones if the soil is poorer, the minerals less abundant or the facilities fewer or distant.

Today, governments largely allow these site rentals to be retained by the landowners and, according to market expectation as to their future, to be capitalised as land-price. Rectifying this would give governments a revenue directly equal to the worth of the facilities. It would be a Goods and Services Tax in the form of a justifiable Land Charge.

While residential occupiers would mostly pay direct, our farmers, manufacturers and merchants, just as today, would recoup the outlay in the prices paid for their products. With the municipalities doing the collecting and, on large scale subdivisional maps, displaying the figures for each and every piece of land accuracy would be ensured, updating would be easy and there would be unqualified public approval.

The social benefit would be an end to the monopoly system whereby, often unwillingly, our land holders today combine automatically to withhold land from its natural use, thus to bring unemployment and letting the owners not only to collect the natural public revenue but also to exact a monopolistic super-rent.

Thus it is governmental neglect of what should be its duty that allows unemployment to arise and, by reducing the purchasing power of the community, causes markets to be glutted with unsaleable goods while, because of the continuing poverty, demand remains unsatisfied.