

## CHAPTER VII.

### THE GLASGOW BILL: ITS PURPOSE.

IF we ask, finally, how the bill in its working out corresponds with the purposes meant to be served, there is the peculiar difficulty that there is no entirely authoritative statement of what the intentions of its promoters were.

It is not simply a measure to "allocate the burden more equitably" by shifting part of it to the superior. In the report accepted by the Corporation on 17th June, 1895, which report the present bill proposed to carry out and embody, it was recommended that the existing system, whereby proprietors are taxed on the same valuation (buildings rental) as the occupiers, should be replaced by a system where the proprietor was taxed on a special valuation (the land value), the occupier being taxed on rental as before. This was ostensibly a proposal to "change the basis of taxation" as regards proprietors from property rental to land value, at the same time as it divided the burden between proprietor and superior. But no additional tax was spoken of; so far as appeared from the terms, it was merely a measure to divide the

existing amount of taxation between the two. In other words, the gross amount at present paid by the proprietors was to be taken, and a rate per £ imposed on the new valuation which would produce just the same amount. But, as the bill now stands, proprietors are still to be taxed in the same way as at present; they are still to pay their 8½d. per £ of rental. But, as I have said, they are to pay in addition a new tax on the new basis, getting relief from the superior only if the land value is the same as or less than the feu-duty.

In the letter already referred to, Mr. Burt has given us a statement of "what is the object to be attained by the bill." "The advocates of the taxation of land values," he says, "have always contended that the most important effect of the reform would be the breaking up of land monopoly and the forcing of useful land into the market at a reasonable price. This, again, in encouraging building, would have the effect of reducing rents, and such a reduction of rents, it is admitted, would be a desirable thing in the interests of the people."

I suppose a reduction in the price of anything is a desirable thing in the interests of the people, and even moderate men might go the length of saying that the taxing of ground still unfeued is justifiable, though not perhaps justified by the consequent reduction of rent. But the bill goes much further than this. Unless the "land value" is the same as or less than the feu-duty, it imposes a new tax on proprietors and reduces the net return of their property. This, indeed, of itself would not reduce rents—the fact that a proprietor gets less return is no

reason why he should still further reduce that return. But if Mr. Burt be right in his contention that the tax will reduce the price of new feus, and that this will encourage building (both of which statements have been energetically denied by writers of the opposite side), the competition from the buildings then being erected on the cheaper feus will force the older proprietors to reduce. This, however, is better described as reducing rents, not by "breaking up the land monopoly," but by penalising the proprietor, although the two things work into one another.

When, however, the purpose of a bill is ambiguous from its terms, one naturally turns to its preamble to see what it is all about; what it seeks to remedy; why it proposes to make changes, particularly when the changes are no less than revolutionary. But there is no preamble.

As there is no preamble, I propose to provide it with one. It would run something like this—allowing for my want of practice in drafting bills: "Whereas private property in land is a robbery not only in the past but in the present; and whereas it would be perfectly just, as well as legitimate and expedient, to confiscate such land without compensation, and take it into possession of the government as representing the whole people; and whereas there is a simpler, easier, and quieter way of doing the same thing: Be it enacted by the Queen's Most Excellent Majesty," etc., etc.

The words are those of Mr. Henry George, and I say they would be an appropriate preamble just because the bill is purely and undisguisedly the work of the Single Taxers; is, in fact, the first signal

emergence of Georgism into the practical arena, and professes to be a ten per cent. instalment of the entire confiscation of land rent, on the lines laid down in *Progress and Poverty*.

The 2s. is only a beginning, said its chief promoter before the Royal Commission. "I hold that nothing short of 20s. in the £ will be a complete settlement of the question."<sup>1</sup> "What is to be the next step?" was asked of another of its promoters. "Increase the tax upon the value of the land," he replied. "Until you take it all?" "Until you take 20s. in the £."<sup>2</sup>

My own feeling is that, when a bill is put forward proposing a new "tax" which is openly said to be not a tax but a method of fine, it puts itself beyond the pale of serious discussion. A tax is the payment for a service rendered by the government, and the difficult question concerning it is the allocation of the expense according to benefit received from the service, or according to ability to pay for it. But the Single Tax is not a payment for services rendered to the owners of land: it is confiscation of their property on the ground that private property in land is robbery; it is not a raising of revenue to return that revenue in blessing to those from whom it is taken, but a taking of revenue from one class in order to spread relief from taxation over all other classes. It is the proposal of men who are in earnest about one thing, but perceive that it is necessary to disguise it as if it were another thing. There was once a Highlander who was arrested for

<sup>1</sup> Bailie Ferguson, vol. iii. of Evidence, question 16,872.

<sup>2</sup> Mr. Peter Burt, *ibid.*, question 16,175-6.

stealing a cow, and was asked by a sympathising brother why he had not bought it and forgotten to pay for it! It is well that the citizens of Glasgow should understand that, in the expressed opinion of its promoters before the Royal Commission, the 2s. is merely a beginning. It is well they should know that, in the opinion of their Treasurer, there is no difference between ground values and feu-duties.<sup>1</sup> It is well they should know that, in the opinion of their Lord Provost, it should make no difference whether the person taxed out of his property is an ancestral landowner who has had all the increment, or the purchaser of yesterday who has had none.<sup>2</sup>

But one fact must, in honesty, be recognised. The bill passed the Corporation by 37 votes to 33. All these 37 were not Single Taxers. To quote the words of one of themselves: "It is an open secret that many of those who cast their votes finally in favour of the question did so very reluctantly and under compulsion." And I have been told from outside that the majority voted as they did, not because they believed in the promoters, not because they thought very much of the bill as it stood, but because they were convinced that "there is something in the agitation for the taxation of land values." It is for this reason that I have discussed the bill as it stands—not as a ten per cent. instalment of confiscation, but as the provision for a 2s. per £ tax on site values.

<sup>1</sup> Councillor James Gray, vol. iii. of Evidence, question 17,242.

<sup>2</sup> P. 83, note.