

LAND VALUES.

VOL. XVII.

1915-1916.

Land Values

JOURNAL OF THE MOVEMENT FOR THE TAXATION OF LAND VALUES.

Twenty-Second Year—No. 260.

JANUARY, 1916.

id.; Post, 2/- per annum.

Telephone: Victoria 7323

Telegrams: "Eulav, Vic., London."

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NOTES OF THE MONTH

The Rent Act.

Various amendments have been made to the Increase of Rent and Mortgage Interest (War Restrictions) Act during its passage through the House of Commons, and the scope of the measure has been considerably widened. As originally introduced, the Act was only applicable to urban districts with a population of over 100,000 (or in Ireland over 25,000), or where a shortage of houses had arisen owing to influx of population due to the war, and it applied to such districts only after the making of an Order in Council. It now applies universally and immediately without the making of an Order in Council. The Act provides that no increase of rent or mortgage interest above the standard rate shall be recoverable if it has accrued after November 25th, 1915. The standard rent means the rent at which the dwelling house was let on August 3rd, 1914, or if the house was unlet then on the last date that it was let, or if it was first let after the outbreak of war the rent for which it was first let. The standard rate of interest is that in force on August 3rd, 1914, or if the mortgage was created since then the original rate of interest. The Act applies to dwelling houses whose rateable value or standard rent does not exceed, in London, £35, in Scotland, £30, and in the rest of the country, £26. Other provisions of the Act are that the landlord may ask more rent on account of improvements or structural alterations not exceeding 6 per cent. of their cost; a fine or premium for the grant or renewal of the tenancy may be recovered by the tenant from the landlord by deduction from rent or otherwise; and that it shall not be lawful for the mortgagee, so long as interest at the standard rate is paid, to call in his mortgage or to exercise any right of foreclosure or sale. The measure is to continue in force till six months after the end of the war.

The Effect of the Measure.

Though the Act will protect a very large number of people from paying increased rent during the war, it can hardly be pretended that it deals evenly between landlord and landlord or between tenant and tenant. The effect will be to prevent the landlord exacting more rent on account of the war from the tenant of an unfurnished dwelling, but if this same tenant sublets the dwelling furnished or lets furnished rooms, there is nothing to hinder him from obtaining for himself the high rent that he is protected from paying. The final result in this case—and it will be a very common case in the areas where there has been a large increase in rents—will be to turn the occupiers of houses to which the Act applies into a class of intermediary landlords who will reap the profit from war conditions. The persons most to be pitied are those who are unable to find an independent dwelling to live in and are forced to live in lodgings, and for them the Act does nothing.

The leading principle of this legislation, which applies only to dwelling houses and only to those under a certain value, is to preserve as far as possible the privileges of the owners. It is only a poor makeshift in the present emergency. It will do nothing to remedy the shortage of houses that there will be after the war, and indeed if it were to continue in operation long after the close of the war it would bring the building of houses to a standstill.

Bewildering Economics.

The man who would try to read sense out of the conflicting arguments used to support the much advertised "economy campaign" has an unenviable task before him. He is asked to accept the preposterous idea, which

insinuates itself in official speeches and pamphlets and in daily articles in the Press, that a costly war can be waged without involving a corresponding and complete sacrifice on the part of taxpayers. Put by your savings, it is said, and the Government will not only obtain the means to finance the war, but it will also return your loan and give you interest. Whatever expenditure the war may incur, let it be 1,800 million pounds, the people will be enriched.

This was the miracle the Chancellor of the Exchequer performed in imagination when addressing a Trades Union Congress in the Central Hall, Westminster, on 1st December. He, with the Prime Minister and the President of the Board of Trade, were there to plead with the working classes to abstain from throwing increased expenses on the State by demanding increased wages. The audience admitted the justice of the request, and we are not criticising that position. But sanity must keep us from wandering in the economic wilderness into which we should be led if we took Mr. McKenna seriously. After insisting on the profitable nature of the loan as an investment, he maintained further that if the increased earnings of the workers had been placed at the service of the State, it would have been possible perhaps to consider further increases in wages. Such is the omnipotence of the "State," crudely conceived as a purse-proud organism independent of the people. It can take a loan from the individual; and with that loan pay the individual higher wages, meet the costs of war, and return the loan with a nice little profit in addition.

Loans and Taxation.

We do not deny that lending is a proper and wise act when the Government (that is the people) considers it cannot get possession, except by way of a loan, of so much of the wealth being produced as it requires. As soon as the borrowing policy, however wrong it may be in principle, is adopted, the individual cannot do better in his own interests than subscribe; but he can obtain no benefit if everybody follows suit and if each subscribes just as much as will be taken back from each in due time by taxation to redeem the loan. He loses an advantage if he subscribes less than will be his share of such taxation; he gains if he subscribes more. Knowing that many will not respond at all, he should be quick to join the ranks of the lenders, and trust to the incidence of subsequent taxation being such that the borrowers (or those who have lent less in proportion to him) will repay the investment. Then in large part he gets all the benefit of the national effort and finds his wealth undiminished.

The Lenders and the Borrowers.

So close is the relation of national loans to taxation and the possession of wealth that these problems demand careful attention. It is idle to expect large contributions to a national loan from the great mass of the people. For where is the wealth that should be forthcoming; in whose hands does it lie? An answer to that question may be found in certain data given by Mr. Lloyd George in his Budget Speech on 22nd April, 1913. Speaking of the assessment to the Death Duties during the year under review, he said that duties had been paid on property valued at £276,000,000, two-thirds of which had belonged to 4,000 persons. There had been 425,000

deaths, and in 350,000 cases the property left was not worth the trouble of assessment.

We allow for the fact that much of the 276 millions did not represent real wealth, although we have found statisticians who would treat the whole sum as such; but the figures reveal the gross inequalities that the unjust institutions in society have produced, and justify the assumption that the distribution among the living is much the same as among those who happened to die. In these circumstances, the nation suddenly requires the use of wealth to the amount of some 1,800 millions—not to be harboured or invested, but to be sacrificed and destroyed. For that wealth it must apply to the owners, and in the light of the Death Duty returns it is easy to judge how comparatively few these owners are. If the only possible policy is to borrow the bulk of wealth, since taxation could not be contemplated without a political upheaval beyond description, let the proper persons be approached; but let us not disguise from ourselves the kind of taxation that must be imposed to redeem the loan. It can hardly be suggested as a physical possibility, much less as a moral proposition, that the borrowers shall bear the burden of repayment.

House Famine Prophesied.

Speaking at the 29th annual dinner of the Bermondsey Gladstone Club on 27th November, Mr. H. J. Glanville, M.P. for Bermondsey, said that when the war was over we should have the most stupendous house famine ever known. Two or three million men would return, but there would be no homes to put them in, and the Government would either have to erect national dwellings or put a limitation on rents to prevent their being increased.

It is not difficult to foresee what will happen in the circumstances pictured by Mr. Glanville. The urgent need for houses will stimulate a corresponding demand for the ground on which to build them. A premium will be placed by owners, not only on building sites, but also on the slate and stone quarries, the clay deposits, and all the other sources of the raw materials required in the building of houses. Here, then, is the cause and explanation of any possible famine, which will be much aggravated by the existing national and local taxation imposed on houses as soon as they are occupied. Instead of pointing to the obvious remedy, the abolition of land monopoly by taxing land on its value whether used or not, and the reduction or repeal of taxes on improvements, Mr. Glanville tries to make out a case for either Government expenditure or for the limitation of rents. The former policy, even if it was practicable, would only subsidize land monopoly and enrich the speculators by paying them for what is not theirs to sell. The latter policy could not conceivably increase the supply of houses; on the contrary, it would effectively prevent anyone from engaging in the building trade at all. Unless land monopoly is dealt with radically, on the basis that the land belongs to the people and that its value is communal property, there will certainly be a universal land hunger, of which the housing difficulty will be only one phase. Every branch of industry will feel the hardening effects of land speculation; while professors and politicians will be looking for all kinds of causes, the temporary boom due to peace reconstruction and new demands for wealth will necessarily produce high prices of land, and will be followed in turn by a severe and prolonged industrial depression.

Steady Demand for Westminster Freeholds.

In a report of the dealings at the estate market the TIMES of December 11th says:—

Though described as ground-rents the investments sold by Messrs. Rogers, Chapman, and Thomas at the Mart this week were practically freeholds in possession, the reversions accruing at a very early date. The sales illustrated once more the steady demand for freeholds in Westminster. This is also shown by private transactions, among which may be mentioned the sale of Nos. 39-41, Old Queen Street, by Messrs. Trollope. The purchaser intends to rebuild on the site.

This is one more indication that the price of land is not likely to be considerably reduced by the war, or in other words it is a sign that the struggle for existence among the landless who must have land on which to live and carry on their industries will be as hard as ever. The landlords realise clearly enough that having a monopoly of what is vital to human life they are the masters of the situation, and they are determined to hold on until they obtain their price. No doubt they are encouraged by the scrupulous care with which the Chancellor of the Exchequer has exempted their monopoly from taxation.

Saving Infant Life.

Under the auspices of the Central Economic Guild of the Central Committee for National Patriotic Organisations, a meeting was held in the Mansion House, London, on October 26th, to "inaugurate a national campaign to promote the welfare of motherhood and infancy." We think the words "among the poor" should have been added, for we do not believe the Lords and Ladies and other very respectable people present were there to urge that their own babies were to be cared for by philanthropy or that their own homes were to be visited and inspected in the name of sanitation. The Duchess of Marlborough made this clear in her statement that it was "particularly" in the poorer districts that infant welfare centres were most needed. That is to say, the well-to-do do not require supervision and charity. The campaign, whatever success may be hoped from it, is dictated by the existence of poverty among great masses of the people. That is the basic fact upon which all such schemes of "welfare" are built. Mr. Walter Long, who was present and spoke, affected to deny that poverty was among the causes of infantile mortality. He pleaded that "ignorance, dirt, and neglect" operated far more largely than actual want of money, as if unconscious of the fact that these conditions are the outcome and the expression of poverty itself. Or does he mean that in the overcrowded areas, where the poor are compelled to find a dwelling, there might be all the virtues; knowledge, cleanliness, and care; and that parents are guilty of the high death-rate in the slums? That is the point of view of the aristocrat; the poor are a burden on the State; they are themselves to blame for illness and death; they must be saved from themselves by charity. It was a speech attuned to the audience and its programme of social work, as social work is conceived by those who will not stop to consider that both poverty and insulting charity could be swept away if only justice prevailed.

No Revaluation for Years.

At a meeting of Walsall Board of Guardians on 16th October, Mr. G. W. Warner presiding, the reappoint-

ment of Mr. Fowler (Birmingham) as valuer to the Assessment Committee having been approved, Mr. J. H. Carter inquired if it would not be advisable to suggest to the committee that there should be a re-assessment of all property in the union. He said he thought it was generally known that rents, particularly those of small house property, had been increased, and under present conditions the overseers had no means of getting to know where this had taken place. Mr. Winn, one of the members, said he had for years been in favour of a revaluation of the union.

Surprising as it may seem, the Walsall Board of Guardians have not acted illegally in failing to make a periodic general assessment of the property within the union. It is one of the many anomalies of the English rating system that the assessment authorities (the union assessment committees appointed by the poor law guardians) are under no obligation to re-value all the property in their district at stated intervals. They may, if they see fit and are prepared to incur the necessary expenditure, make a complete re-assessment, but the practice is simply to adopt year by year a stereotyped valuation, corrected by supplemental lists or by such alterations in individual assessments as the Committee may deem necessary.

The Tax on Improvements.

The result is that, apart from the general evils attaching to the rating system, these haphazard methods fail to take account of increased rentals due to better amenities, public improvements, or increased population, and cause every improvement or structural alteration to be *especially* marked down for higher taxation. The exception to the English rule is London, where a complete periodic revaluation is compulsory, though only once in five years. The Scottish system is to revise every assessment once a year, and so far as mere machinery of valuation is concerned it leaves little room for improvement. But the fundamental defect from which all the British local assessments suffer is the absurd definition of "rateable value," which includes the value of improvements and permits each property to be valued at the rent which it would command *in its existing condition*. Vacant land having a high selling value is accordingly rated at nil or at a nominal figure, while every improvement is assessed and subjected to public burdens. No perfection of method or accuracy in ascertaining "rateable values" will overcome this disability, however much it may place existing ratepayers on a more equal footing.

Economic Effects of the War.

An interesting view of the economic situation of the nations at war is presented in a recent "market letter" of Warren W. Erwin & Co., of the New York Stock Exchange. After referring to the "rapidly increasing cost of living in all of the warring nations," it says:—

Increasing cost of living necessitates higher wages and taxes which, in turn, further increase prices. Lessened production, due to the lessened number of workers, also leads to higher prices. The rapidly increasing pensions paid to widows and to soldiers' families increases taxes enormously and increases the cost of production and, therefore, of prices and the cost of living. . . . Want, destitution and misery are becoming the lot of millions of people in each of the warring nations. We cannot grow rich by furnishing supplies to impoverished nations, not even if we loan them the money with which to purchase our goods.

There is much food for reflection in this perfectly impartial view of the situation. This country may not be suffering nearly as much as the rest, but its national debt is mounting up at a rate which must fill one with apprehension for the industrial and social condition of the people at the close of the war. And even if we in this country were to escape with a comparatively light burden of debt, we should still have to face the difficulty that Messrs. Erwin & Co. anticipate for the United States—the impoverishment of some of our largest customers. This can only be compensated for in one way, by developing and utilizing better the resources of our own country, a solution to which the present system of land tenure offers insuperable obstacles.

The Value of the Agricultural Labourer.

Speaking in the House of Lords on November 24th, on the recruiting of agricultural labourers, the Duke of Marlborough said that each agricultural labourer was capable of producing £250 worth of wealth every year. The Duke is a great agricultural landlord, and therefore he should know the facts. We may take his figures, then, at their face value. £250 a year is a considerable sum, and it might be expected that the wages of agricultural labourers should be high; but are there any who earn even one-fifth of this amount? The Duke did not explain where the difference went to, but his figures will not be forgotten. The labourer will want to know why more of his produce is not returned to him in wages, and the rest of the community will wish to know why land values should not bear a substantial share of the burden of national expenditure.

It is to be hoped that the Duke of Marlborough will make many more speeches of this informing kind. There is one other point on which a frank statement by a great landlord would be invaluable to land reformers, and that is how much land is fully utilised and how much is left practically uncultivated and derelict. We remember that at the commencement of the land campaign, the Duke announced that he was going to plough up a thousand acres of land which he had been keeping as a park; how many thousands more there must be all over the country. We know what the conditions are with respect to land within municipal boundaries in England and Scotland, for the figures are in official papers (White Papers 119 (1913) and 144 (1914)); and the case must be much the same in regard to other land.

Economic Independence and International Peace.

A manifesto has been recently issued by the Women's International League, setting out the views of that society on the means to be adopted in order to secure the peace of nations. Some of the proposals are such as have been made familiar by other peace societies. What is more unusual is the insistence on the necessity of developing the "ideals underlying modern democracy" so as to secure the "economic independence and legal freedom" of women as well as men, and the admission of women to national and to international councils.

This proposal is perfectly sound as far as it goes, especially when it is remembered that this body is the British branch of the Women's International Committee for Permanent Peace. There is no doubt that the poverty of the masses and their immersion in a constant economic struggle is one of the reasons why it is difficult

to obtain a large hearing for peaceable ideals in many countries. And from this economic struggle unsound biological analogies are deduced and applied to the relations of nations.

Yet the real problem remains: how to secure that economic independence which is the only sure guarantee of "legal freedom" for women as well as for men. This is a question especially deserving attention at a time when we see women invading innumerable spheres of industry, and when anxious thoughts are already arising as to what effect this will have on wages after the war. The matter has two aspects. In the first place, women should be perfectly free to follow any profession or industry that they please; no attempt should be made to solve the problem by excluding women from the field of industry. In the second place, women should not be driven into industry from necessity, because the men who should be their support are unable to earn an adequate rate of wages. If, then, the problem can receive a satisfactory solution, it must be to throw open the field of employment to all who care to enter it, and yet to secure that the earnings of the workers, whether women or men, shall be such as to enable them to support life in decency and comfort. To this the Women's International League offers no solution. Yet how simple it is. The source of all employment is land; without land no wealth can be produced, no commerce carried on. When access to the source of employment is restricted, the production of wealth is restricted, the competition for employment rendered bitter, and wages are low. Let us throw open the land to labour, and we shall then have a firm basis for reform, whether in the realm of international relations or in home affairs.

Better Opportunity makes Better Men.

At the annual meeting of the Glasgow Kyrle Society on 25th November, Dr. A. K. Chalmers, M.O.H. for Glasgow, corrected the false notion that slum dwellers produce the slums, and insisted that the very opposite was true. Men and women are what circumstances make them, and in the slums they are the victims of poverty and wretchedness. He illustrated the point by asking if anyone was prepared to recognise that the men in these houses were the men who took part in the retreat from Mons and in the recovery from it after the Battle of the Marne. Every one was in the habit—even the Departmental Commission on Physical Deterioration had done so—of associating physical deterioration with the slums. The beginning of the war, however, had shown us more emphatically than anything else that if we gave those men, whom we were accustomed to regard as living in the slums, a fair chance of seeing what life was they took the opportunity and proved themselves men. That lesson should make them chary in the future in believing that the slum brought about a deterioration which a much stronger example would not rescue men from.

In spite of the great effort Glasgow has made to remove its black spots and improve housing conditions, things remain as they are. In all centres of population it is the same, and all attempts at rehousing schemes have failed because they have done nothing to liberate the people. They may have shifted the poor from one part of the town to another, but the poverty persists, and it is that alone which creates overcrowding, insanitation, and every other misery. Free men and women from poverty, let them have a "fair chance" in

their own country as the equal possessors of the land and all the resources of nature, and both slums and slum conditions would automatically disappear.

Property and Prosperity.

There emerged from a discussion on increased rents at the Brynmawr District Council on 17th November the soundest exposition we have yet seen of the property owners' point of view. One of the members, Mr. Enoch Williams (as reported in the S.W. DAILY NEWS, 18th November), defending the higher rents did not burke his reasons with pleas of increased taxes, mortgage interest, or cost of maintenance. He contended quite frankly that owners of property who were living on the rents were entitled to participate in the good times experienced by the workers who, in addition to the good wages they were earning, were also receiving their war bonuses. That is to say, that because men were working harder and getting better paid they ought to pay more for the ground on which their homes are built. Any increase in wealth belongs not to the producers, but to the landlords; it is theirs by right and in virtue of their ownership of the land. There would be little advantage in land ownership if this was not the case. Land is possessed largely as a means of enabling one set of persons to live on the labour of others, and any scheme or policy which would defeat such object is regarded as an outrage upon justice and morality. Unfortunately, monopoly is so protected by the law that every increase in prosperity, every betterment of social conditions, is cashed by the landowners in higher rent; and far beyond the bounds of Brynmawr, Mr. Enoch Williams's theory is working with perfect regularity. It will continue to do so until other conceptions of property are accepted, which will not permit individuals to treat the value of the land as a subject for private appropriation.

The "Essence" of Trade Union Rules.

Both girls and men were on piece-work. But, of course, the girls belonged to no union, and were honestly putting the whole of their energy into this bit of the war; while the men did belong to a union, and were admittedly and obviously limiting their output in accordance with union rules. Useless to anathematise those rules! How did they come into existence? They came into existence as the natural result of the experience of generations of men who found that when they worked hard on piece-work the employers, cut to the heart to see them taking away an unusual income at the week's end, at once reduced the rates of piece-work. The process has not been so simple, nor quite so one-sided, as that in practice, but that is the essence of it.—Arnold Bennett in the DAILY NEWS, December 15th.

This explanation of how Trade Union rules for limiting output came about does not take us far. In fact it leaves the question about where our author found it, and without any suggestion, even, of the existence of underlying forces at work to create and maintain this obstacle to industrial efficiency. Clearly the deeper cut is needed here; nor should this be a stumbling block to a mind that is honestly and without prejudice, or political bias, bent upon solving labour problems. Let us look seriously at the real essence of the case. When an employer cuts into wages, one way or another, he is simply seeking to buy labour in the cheapest market. He may be inspired by greed or he may be pressed by his competitors, armed for the moment with additional capital, or superior equipment, or by new methods of production, or all three causes may be at work. The point under consideration

is that the employer is out for cheap labour. If the cheap labour is not available he will require to pay the higher wages or go without. That is obviously the law on the subject.

The next question surely is: Why is there cheap labour available? Is this the natural outcome of industrial development, or does it arise from existing political adjustments? This side of the case calls for an answer. It is continually being ignored or smothered up by popular writers who seek to influence or to guide public opinion on the labour unrest of the day. Occasionally we find it stated, implicitly, as a rule, but it gets cold shouldered just as soon as it appears and the pen of the writer readily and quickly turns to metal easier to mould into some pleasing collection of words and phrases. It is quite clear that in this instance Mr. Bennett has not faced or dealt with the real essence of the matter. What he has written makes good enough "copy" for the dilettante and the casual reader, but it is no guide to the perplexed student or worker, keen and anxious to find the way out of the difficulty. The question remains—*why* is labour cheap?—and it cannot be cast out of the argument by any kind of recital of the back answer one party in the conflict makes to the other.

On the Clydeside a story is told of some poor labourers in a shipbuilding yard who asked for a small advance on their living wage of 14s. a week. The reply they got was that they would get the advance when they stopped the Cork boats from coming to Glasgow. There we have the kernel of the question. It is the over supply of labour in relation to the opportunities open to labour which makes labour cheap and helpless, and until we discover some permanent and enduring means of making labour scarce and dear, the Trades Unions will in self-defence maintain their rules and regulations. It may be proved up to the hilt that these rules are a hindrance to production and a direct menace to the community at large; the answer of the Trade Unionist is, and will be: talk to the men who are making fortunes out of our labour, and as for the community, what does it care or ever did care for us or our grievances?

Economic forces and the failure of the politicians to legislate for a better distribution of wealth have driven the workers to look to themselves for redress, and in recent times they have shown that they intend doing so. They have not yet abandoned hope of reform by parliamentary measures, but already there is a rebellious element afoot who will not abide by the "impartial decisions" and agreements made for them, not even when these are made by their own chosen leaders. But this is another story. The immediate question is: why is labour cheap and helpless, and how can it be made dear and independent? We submit that a second question arising out of the first is: are all the natural opportunities open to labour, and if not who or what is keeping them out of use? If there are 100 jobs and 100 men, and 50 of the jobs are kept out of use by greedy speculators and otherwise, the result is certain to be less wealth, competition for employment, low wages and hard times. Is it too much to hope that a champion of human rights and fair play like Mr. Bennett will set himself seriously to find out if labour is being denied in this fundamental way access to natural opportunities to work and wages? An inquiry into this aspect of the case might shed some new light upon it, and probably take sympathetic journalists and labour leaders one stage further on the way to a peaceful and lasting solution of the labour problem:

LAND VALUES

Twenty-second Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.
(United States and Canada, 50 cents.)

Editorial Offices:

The United Committee for the Taxation
of Land Values,
11, Tothill Street, London, S.W.

Telegrams: "Eulav, Vic, London."

Telephone: Victoria 7323.

All communications to be addressed to the Editor.

"OUR POLICY"

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—
Henry George.

WAGES AND EMPLOYMENT AFTER THE WAR

The condition of the country after the war is beginning to attract serious consideration. There has been discussion on the subject in the House of Lords; the Government has appointed a committee to examine into the possibility of settling soldiers on the land; the Chancellor of the Exchequer has warned the workers to save and invest their savings in the war loan so that they may be able to face the distress and unemployment that will come after the war. Indeed every thinking man must feel that this financial rake's progress can only be followed by an equally violent reaction. The whole industrial energy of the country has been directed to novel ends, and even if the old delicate adjustment could be restored the process would be tedious. But the old balance cannot be restored; there have been world-wide changes and nothing will be quite the same again.

Labour and capital must find fresh outlets; but where are they to find them? Lord Haldane suggests that the Government should set to work and compile a Peace Book as before the war they compiled a War Book. But how many unknown circumstances cropped up for which the War Book contained no answer? The vast field of industry much more than that of war cannot be surveyed beforehand, and the whole course of events mapped out. And even if the future could be exactly foretold we venture to doubt whether Lord Haldane would supply any remedy but palliatives and patchwork. Let us dismiss such projects from the mind. The most that can be done is to remove certain obstacles and clear the way for individual enterprise and initiative to adapt itself to the changing circumstances that will arise.

Mr. McKenna's suggestion that the workers should save out of their present prosperity so as to be prepared for the evil days that are in prospect is equally hopeless. The man who is responsible for the national finance should know how little even the most highly paid workers can save out of their earnings and how impossible it is for those with lower wages to save anything at all. His own financial policy is one of the

factors which will impoverish the workers after the war. He has embarked on a policy of borrowing, and the debts that the Government has contracted with the rich will largely have to be repaid by the poor if our present system of raising revenue is maintained.

The one suggestion that yields a ray of hope is that for opening up employment for our returning soldiers on the land. Behind this proposal there lies implicit the idea that in the land there is a fresh and fruitful field for the production of wealth, and that here the worker may find employment without curtailing any fellow man's opportunity to find a living. This is the truth, the one guiding principle that must be kept in view. There are latent opportunities of producing wealth from the soil of our country that have never been touched; and it must be our aim to throw them open to labour so that every man may have the opportunity of earning a decent living and so that the production of wealth and our ability to bear the burden imposed by the war may be increased. It should be remembered that this applies not merely to agricultural land but to land of every kind, for in no direction are the natural resources of the country developed as they should be.

So far there will be agreement between the adherents of different schools of thought. The difficulties arise when we come to inquire how this land is to be made available to labour. Already a project is adumbrated to buy and equip smallholdings for those of our soldiers who wish to earn their living in agricultural pursuits. The cost is estimated at £1,000 for each smallholder. "A. G. G.," who has championed this Tory scheme in the DAILY NEWS, contemplates the provision of 600,000 smallholdings at a total cost of £600,000,000, which he naïvely remarks is merely the cost of two months' war. Even in peace times this would be an enormous expenditure; to a nation which has already had seventeen months' war it is impossible. And why, we may ask, is this special provision to be made for those who have a taste for agriculture? Why should not men be set up in any trade at an expenditure of £1,000 per man? To ask this question exposes all the hollowness of the proposal. It is a scheme for the benefit of landlords—the modern equivalent of the high protection that followed the Napoleonic wars.

In our more democratic society it is to be expected that no such scheme can be carried, and indeed no scheme can now be carried that makes enormous demands upon the Exchequer, for the danger is that taxation will rise so high as to throttle industry. What must rather be considered is how to distribute the present burden of taxation so as to do as little injury as possible, and so that everyone may bear his fair share of it. This problem we thought we were on the high road to solve just before the war broke out, when a land campaign with the taxation of land values as an issue was being set afoot. Surely it is a betrayal of democratic principles to attempt now to launch a land campaign with State purchase of land as its leading principle.

The people have made the greatest sacrifices. By millions they have voluntarily enlisted themselves in order to defend this land of Britain. When they come back, are they to be asked in addition to the cost of the war to pay millions more for the opportunity to earn a living from the soil of their native land?

The men who have been in the trenches, who have made the supreme offer and ventured their lives, will not submit to such an imposition. There is no need for any plan of fostering industry at the expense of the State or for purchasing land from those who monopolise it, when an equitable readjustment of taxation would solve the whole problem. Nothing has yet been done to put our taxation on a right basis. This desperate struggle is going on and the debt is mounting up day after day, yet not one penny of special taxation has been taken from that communal value which has been created by society. The monopolists are lending money to the Government at a high rate of interest while the poor are paying an enormous amount in taxation on their food and on their homes in order to pay interest to the rich. Our soldiers are defending the land of this country, but the power of land monopoly remains unimpaired.

After the war land will still be held out of use, though men will be unemployed and starving for lack of it. All plans, no matter how ingenious and long-thought-out they may be, which leave land still a monopoly will be unavailing. So long as land remains unused and its value untaxed, so long will the production of wealth be small and its distribution inequitable. The most that can be done under these circumstances is to relieve the poverty of some by reducing others to the same condition. This is the fundamental objection to minimum wage, land purchase and other palliatives which seek to deal with effects while neglecting causes. All these proposals were indefensible before the war, but they will be much more objectionable after when social conditions are likely to be so much more serious. But our plan of liberating industry and opening up land to labour will be more necessary and effective than ever. The need for revenue alone would make it acceptable to all who wish to see some measure of justice in taxation. The need to maintain and improve the standard of living of the working masses will win for it a welcome from those who have the true interests of labour at heart.

Wages can only be maintained at a high rate if the opportunities of employment are plentiful, and employment can only be abundant if more land is made available for labour. The taxation of land values is the only feasible and effective means of securing this. It will apply to the owners of all classes of land a pressure which will compel them to make use of their land or allow others to do so. It will swell the opportunities of employment not alone in agriculture but in every kind of industry, and give the workers freedom to use their faculties in whatever channel they feel themselves best adapted for. It will throw open to labour the best and most productive land, where under the present system the worker can hardly obtain even the most barren and unproductive wastes. It will thus enable the production of wealth to be immensely increased without any increased exertion. And, finally, it will relieve the workers of that enormous burden of taxation which now directly and indirectly they are compelled to bear by putting taxation on the value created by communal activity.

This plan will not appeal to those who profit from our present unjust social system and wish to continue drawing profit from it. But none will appeal more to the multitudes who are bearing the burden of modern civilisation while the fruits of their toil and suffering

are being enjoyed by a privileged minority. It is to them and to those that sympathise with them that we make our appeal. Our policy has won the interest and approval of a great and ever-growing public, and the statesman who will devote himself to putting it into operation will have as strong a popular backing as any reformer could desire. What is now needed is a great, coherent and organised demand from all parts of the country sufficient to convince even the most reluctant politician that the people are in favour of this reform.

F. C. R. D.

"EVERY PENNY WILL COME BACK"

The words in the above heading are taken from an article by A.G.G. entitled "The Sword and Ploughshare," which appeared in the DAILY NEWS of December 18th. The writer of the article advocated putting returned soldiers on the land, the scheme to cost £1,000 per settler; 300,000 settlers, he explained, would cost £300,000,000.

He says "This money will not be blown into the air. It will be invested in the best security in the world, the lives of our people, and the soil of our country. Every penny that is spent will come back, and it will multiply itself."

As a matter of fact, as far as investing money in the soil is concerned, the very *opposite* conclusion to the one arrived at by A.G.G. is the correct one. The money might just as well "be blown into the air," for as far as the nation is concerned not a "penny will come back." The trouble with A.G.G. is that he does not realise the difference between buying land and buying other things that have been made the subject of ownership. If he had simply advocated buying agricultural implements, seed, or other things which are the result of men's labour, he might have made out a case, but to place the land (which no man made) in the same category is to show that he does not understand true political economy. In what way can the money which we pay to landowners come back to us, except in return for the services which are rendered to them, or the wealth that is produced to be consumed in town houses, country houses, and so on.

But supposing "the boot were on the other leg," and instead of the State giving millions of pounds to landowners for the *use* of their land, the State were to take millions of pounds from them for the *defence* of their land. The machinery to be used for the purpose being the taxation of land values, which has been a plank (or a splinter) in the Liberal programme for generations. This money would not be "blown into the air," but would be used to relieve the grinding taxation under which the nation is suffering. "Every penny *would* come back," and further, the economic results that would follow would be that the idle owners of idle acres would be compelled to use their land on reduced terms. Soldiers or others who wanted to follow agricultural pursuits could then do so with better chances of success, and the multitudes of orphan children would not have such a struggle to live in the country which their fathers died for.

JAMES J. FIELD.

SOUTH AMERICAN PRECURSORS OF HENRY GEORGE

There has recently been published under the title of *RIVADAVIA AND THE LAND QUESTION** a reprint of a very remarkable and almost unknown work by the distinguished Argentine historian and economist Andrés Lamas. Originally intended, we understand, to form part of a much larger work dealing with the whole history of the period, this little book gives an account of Rivadavia's attempt during his short presidency of the Republic to establish a system of land tenure which would have made the Argentine the most prosperous country in the world and a model to all other States.

The germ of the idea is seen in one of the earliest acts of Rivadavia's administrative life, a decree of September 4th, 1812, relating to the survey of the Province of Buenos Aires, in which he declared

that the object of this proposal was to distribute proportionately to the citizens of the country building sites and arable lands under a political system which would ensure the establishment of population and the happiness of the many families, victims of the cupidity of the powerful, who are living in poverty and oppression which is shocking to reason and prejudicial to the true interests of the State.

The proposal of 1812 was without result, for Rivadavia, divorced from office, could not give effect to it. Ten years later, on his return to power, he reverted to his former plans, and now we see more definitely and clearly what he had in mind. On July 1st, 1822, he promulgated the following decree :

Section 1.—None of the lands which are at the disposal of the Ministry of Finance shall be sold.

Section 2.—The lands referred to in the preceding section shall be subject to emphyteusis (enfitéusis).

By emphyteusis is meant a lease for a considerable period, but to this we shall recur when we have given the text of the law by which in 1826 the Congress finally sanctioned Rivadavia's proposal. This law runs as follows :—

Section 1.—Public lands, whose sale is prohibited by the law of February 15th, shall be given in emphyteusis for a period of not less than twenty years, reckoning from the first of January, 1827.

Section 2.—For the first ten years the holders shall pay to the public treasury a rent equal to eight per cent. per annum on the value of the said lands if they are pastoral, or four per cent. if they are arable.

Section 3.—The value of the lands shall be graded by a jury of five of the nearest landholders, or three if there are not so many, so that there may be an equitable valuation.

Section 4.—The Government shall issue regulations as to the nomination of the jury and as to the arbitrator who is to preside over it.

Section 5.—If the valuation made by the jury is challenged, either by the landholder or by the treasury, the question shall be finally determined by a jury constituted in the same manner as the former one.

Section 6.—The rent fixed under Section 2 shall begin to run from the day on which the landholder is put in possession of the land.

Section 7.—The half of the rent fixed for the first year shall be paid during the two following years.

Section 8.—The periods at which the rent is to be paid shall be fixed by the Government.

Section 9.—At the conclusion of the ten years referred to in Section 2, the legislature will fix the contribution which shall be paid by the landholder in the succeeding years in proportion to the new value which the lands have then attained.

According to the regulations dated the 27th June of that year, the jury were to be chosen by lot from among the adjoining landholders.

We will now consider the system of land tenure called emphyteusis, and what was the modification of it that Rivadavia had the wit to discover. The name comes from the Greek, and probably denoted the tenure by which sacred lands were held. It was adopted by the Romans as the name of a contract by which lands were granted forever or for a long term on condition of their being improved and a stipulated annual rent paid to the grantor. It was probably in use first as a means of letting lands belonging to the State and the practice was imitated by private holders. When for a perpetual term it was like a feudal fee.

Neither in the Roman Empire nor in any other country was the system applied by the State to all lands. The lands which were so let accumulated into the hands of large proprietors, who gradually relieved themselves of all the burdens which they owed to the State. But even if the system had been generally and rigorously applied, there remained the disadvantage of the rent being at a fixed rate, which in the course of time would come to represent but a small fraction of the value. This difficulty Rivadavia perceived and therefore he proposed that the rent should be revised, from time to time; but in order that the landholder should have ample security for the fruits of his labour the duration of the contract should be not less than twenty years. And further, to quote Andrés Lamas, "the contract was renewable and there was nothing to hinder its indefinite renewal. On the dissolution of the contract the cultivator was owner of all that he had put on the soil; the house, the fences, the things planted on it, all must be valued and paid for at a fair rate. (Acta del Congreso, no. 132.)"

What system could have been better suited to the circumstances of a new country where the land was largely unappropriated and the conditions simple? Henry George himself has said that there may be many methods of securing the value of land to the community, and that the plan he proposed was put forward as being most suitable to countries where the land was already appropriated and there was in existence an extensive tax collecting machinery.

Andrés Lamas in his book gives many extracts from the debates in Congress over the Bill, and from the comments in the newspapers. We will make one quotation from a speech by a Minister, Dr. Julián S. de Agüero. Replying to someone who had expressed a fear that the lands would be so divided as to fall into the hands of a small number of great proprietors, he said :—

In order to avoid that there is no other means than what is proposed in this Bill; no one will hold great stretches of land if he sees that he will pay a considerable sum. But if the law fixes a modest rent and the legislature is not required to revise it, there will immediately be immense accumulations of land unless the law or some duly constituted authority deprive the owners of it, for there would be petitions for great stretches of land for the petitioners themselves and for second and third parties, and thus there would arise great estates which would remain for the most part uncultivated. On the other hand, under the Bill proposed who would pay so much for land which he was going to hold uncultivated? No one. Consequently it is plain that if the rent is fixed very low the land would be monopolised in a few hands. Anticipating this there has been formed in Buenos Aires an association of the principal capitalists who are seeking to obtain all the lands that remain public property right up to the frontier, thinking that the legislature of the province would not impose anything but a very moderate rent and that the grant would be in perpetuity, and they were preparing to do a great business and to enter into speculations very prejudicial to the State. But if this Bill is adopted, it will be seen that no ill effects will follow.

* *BERNARDINO RIVADAVIA Y LA CUESTION DE LA TIERRA.* Por el Dr. Andrés Lamas. Biblioteca de la Liga Argentina para el Impuesto Unico. Buenos Aires. Price, 50 centavos;

The Bill as we have seen was passed, but in the period of reaction that soon followed all was undone, for the generality of the people did not understand the motives and the principles of Rivadavia, and his ideas remained locked up among the distinguished group of thinkers that the reaction against him drove from the country. The public lands were sold or given as rewards to military leaders. The dictator Rosas by one decree alone put up for sale 1,500 leagues of land, and by a law of 1839 he gave to his generals six leagues each, to his colonels five, and so on. The country remained under his rule till past the middle of the century.

Now once more it is trending in the direction of reform. The movement is taking the form suited to the present stage in the development of the country, and the prospects of the early establishment of the taxation of land values throughout the Republic are bright. Already it has been adopted in the province of Córdoba. The ideas of Rivadavia are again becoming known, and the writings of Andrés Lamas are being circulated side by side with those of Henry George. For Lamas was not merely the historian of Rivadavia; he was himself an economist of no mean order. Though the preface to the work under review is dated 1882, he seems to be quite unacquainted with the work of Henry George, but he had arrived at the same principles. He says:—

In regard to public lands Rivadavia established the right of social ownership. Without this right we are in a state of feudalism or of communism.—The title to property is labour.—Communism, refusing to recognise this right, allows individuals to acquire and enjoy that which is not the result of labour and of a man's personal faculties.

And again he says:—

The emphyteusis of Rivadavia gives to every one what is his own; to the individual, ownership of what he produces, his capital and his labour; to society, what it produces.

Andrés Lamas died in 1891, too soon to see these principles rescued from oblivion and carried into practice in his own country. But he saw beginning "the conflicts between public and private interests which the emphyteusis of Rivadavia would have prevented"; and he foresaw that when "the Argentine agrarian system of 1826 was understood and studied by the scientific world, Rivadavia would occupy a foremost place among the reformers of his century." And so it is coming to pass.

F. C. R. D.

The 5th. To Montauban. The poor people seem poor indeed; the children terribly ragged, if possible worse clad than if with no cloaths at all; as to shoes and stockings they are luxuries. A beautiful girl of six or seven years playing with a stick, and smiling under such a bundle of rags as made my heart ache to see her: they did not beg, and when I gave them any thing seemed more surprized than obliged. One third of what I have seen of this province seems uncultivated, and nearly all of it in misery. What have kings, and ministers, and parliaments, and states, to answer for their prejudices, seeing millions of hands that would be industrious, idle and starving, through the execrable maxims of despotism, or the equally detestable prejudices of a feudal nobility. Sleep at the *lion d'or*, at Montauban, an abominable hole.—A. Young's TRAVELS IN FRANCE, 1787-9.

It is territorial monopoly that obliges men unwillingly to see vast tracts of land lying waste or negligently or imperfectly cultivated, while they are subjected to the miseries of want.—WILLIAM GODWIN, POLITICAL JUSTICE, Book VIII., Chap. III.

THE SINGLE TAX

What it is and why we support it

(Report of an address by Mr. A. G. Huie, at a meeting of the Parramatta Research Society, held at the School of Arts, Parramatta, New South Wales, on the 14th July, 1915.)

We propose to abolish all taxes upon food, clothing, raw materials, machinery, incomes, estates of deceased persons, all stamp duties, and all other taxes—in a word, all taxes upon labour products. This side of our proposals may be summed up very briefly. We propose to exempt labour from taxation.

As a substitute for all existing taxes we would appropriate the economic rent or annual value of all land, as public revenue. It may be briefly stated, we propose to tax land values only.

The purpose of the Single Tax is to take the value which arises because of the presence and needs of the people. Land value is not made by the owner of a piece of land. The presence of one man cannot make land value. Land only acquires a value apart from labour when two or more persons want the same piece of land and are willing to bid against each other for the privilege of using it. It is at this stage that the necessity for government arises, and the value or rent of land constitutes the natural way of defraying the cost of common public services.

The value attaching to land has been spoken of as the unearned increment. That is, it is unearned by those who receive it now. It is not really unearned. It is the joint stock earnings of the people. It is community earned or socially earned, but instead of going to the people who earn it to be expended for their use and benefit, it goes to the landowners, and saves them the trouble of working for a living for themselves.

First of all, we have land. Land, according to the Science of Political Economy, means all the forces of nature to which labour may be applied to produce those things which satisfy human desires. It includes not merely the surface of the ground, but minerals and metals underneath, rivers, springs of water, harbours, the sea; in a word, external nature. All except man himself is land. I mean, of course, in its raw state, I have not yet come to what is fashioned by the mind and industry of man.

Second: we now come to labour. Labour is human power, mental and physical. Man has needs. He wants food, clothes, shelter and enjoyment, and so on; his labour power is the only right and natural means to enable him to get what he needs from day to day. He does not work for the sake of work. It is quite a mistake to suppose that man is fond of work. He is not. He only works to get results. So you see here, we have first land and then labour. All that labour needs is free access to land, for everything that humanity requires to satisfy its material needs comes from land, and nowhere else.

That the land is capable of supplying labour with all its needs is so obvious that we need not waste time discussing the point.

Third: labour applied to land results in the production of goods of all kinds, which are called wealth. Labour may be employed growing wheat, or mining coal, or manufacturing tobacco, or building houses. Such are the more direct methods. Or labour may be employed in a less direct manner, such as clerks in offices, as civil servants, and as traders or middlemen. But labour in producing and transporting goods or wealth is always essentially the same thing. It makes no difference, so far as the true grasp of the subject is concerned, whether it was man before he had a fig leaf to cover his nakedness, picking fruit to gratify his hunger, or in our complex social life of to-day.

That which labour produces belongs to labour. No one else has any right to it. On that point probably you will all agree with me—that the full produce of earnings of

labour belong to labour. Let us keep in mind now this third fact, that everything that labour produces from the land from a boiling of potatoes grown in a back yard, to a vessel like the "Olympic," is wealth, and that labour has produced such wealth from the raw forces of nature, in other words from the land.

The wealth that man produces from the land is mainly for immediate consumption. Mankind lives from hand to mouth. That, however, is not due to the niggardliness or poverty of nature, but is due to unjust interference with man's right of access to nature to produce what he needs, and to an unjust distribution of the wealth produced.

Let us now consider the third factor in production—capital. What is it? There are so many opinions loosely expressed that it must be rather confusing to many people to know what capital really is. I have heard it described by Socialists as the unpaid wages of labour. I will give you the correct scientific view. Capital is that part of the wealth produced by labour from land which is used to assist in the production of more wealth. As Henry George puts it, it is wealth in the course of exchange. Now if labour produces capital, then land is not capital, because labour does not produce land; therefore, a landowner is not a capitalist merely because he owns land. Land is not capital. Land is not the unpaid wages of labour. We have, therefore, established this matter clearly that land is not capital, and a landowner, as such, is not a capitalist.

While land is not capital, an owner of land may use capital. So we have in many cases a dual personality, a man who is both landowner and capitalist. We can proceed even further, and find cases where a man is landowner, capitalist, and labourer all in one.

Before proceeding to point out what is rightly due to land, labour and capital, let me say just a few words about capital. It is, first of all, perishable. It consists of buildings, machinery, stocks of goods for sale, tools, and so on. It is all labour products used in business or, in other words, in the art or science of getting a living. Buildings wear out, so do machinery and tools. And in cases where they are not actually worn out they become out of date, new and better forms of capital displace them, and they go to the scrap heap. With stocks of goods they must be moved. They won't keep. So you see that capital in all its forms has all the time to be maintained, renewed, and replaced by labour. It is, as I said, perishable; it is always wearing out, and unless fresh capital were constantly being accumulated it would perish altogether in time.

Let me give you a striking example. In the early days in Sydney, land was of very little value. In fact, in Captain Cook's time it was worth nothing. Some seventy years ago the land bounded by George Street, Bathurst Street, Kent Street, and Liverpool Street, Sydney, was vacant. One fine morning a bullock driver came from the country with his wagon and bullocks, and met the owner of that piece of land. The landowner said to the bullocky: "I will trade you the land for the wagon and team of bullocks." But the bullocky said: "No." The team was his capital, and the owner used it to get a living. After I heard this story, which was some years ago, I went to the Sydney Town Hall and turned up the unimproved land valuation of that land and I found it was over £200,000. The bullocks are dead, the wagon and tackling are worn out. The whole of that capital has long since perished. The men are both dead, but the land remains, and I suppose it is doubtful whether the whole crowd of us could scrape up enough money among us to buy a small allotment of that area of land now.

We have then, land, labour, capital and the result produced by labour from land aided by capital—wealth. The all-important question now is the distribution of that wealth.

Let me show how rent arises. As already pointed out, land for which there is no competition is of no value, and consequently yields no rent. Suppose all of us go and

settle in a new country. Naturally we will go and squat on the best land. We will assume that there is enough good land to allow us each a section, and that we can make a living with a fair amount of work, a rude plenty such as the South Sea Islanders enjoy, where land is free. After a while a new lot of settlers arrive. They have to take up land outside which is not so good. But in the meantime better tools and machinery—that is capital—are coming into use, and they are able with no more labour to make a good living. Then another batch comes along, and has to take poorer land, but the inventive genius of man is improving methods of production, more capital enables these newcomers to also do well. Then more settlers come, the railway is extended and other evidences of progress appear. I think you will see that those who came first are now on velvet. With up-to-date methods and machinery they can make two or three or four livings with no more labour than was necessary in the first place to make one. The advantages of progress have gone into the land. So those who came first say: "Why should we work any longer, we will retire and let someone else do the work, and we will live on the rent." That has gone on to such an extent in this country that a man owning, say, two feet of land near the G.P.O., worth £2,000 per foot, could get £160 per year in rent and need not work at all.

I want now to show you the way the wealth produced is distributed under the present system, and how it would be distributed under the Single Tax system. I think you will all agree with me that the distribution of wealth to-day is atrociously bad. Some of you may say that the quantity of wealth produced to-day is ample, if rightly distributed. A proper distribution would be a great improvement, but at the same time I do not agree with the view that the volume of production is now sufficient. The Single Tax abolishes taxation now imposed upon labour. Such taxation is not merely what is paid to the Government, but includes large amounts paid to protected monopolists. For example, the sugar tax costs the consumer at least £1,500,000 per year under normal conditions. But the Government only gets £500,000 while the sugar monopoly pockets £1,000,000. You see, therefore, that the Single Tax is not only going to save labour the taxes paid to the Government, but also all taxes now paid to protected monopolists. I put the amount of taxation now paid to Governments and private monopolists down as being over £50,000,000 per year in Australia. You may say that is not very much when you say it quick. But I may point out that the total wages paid in all the factories in Australia in 1913 were only £33,585,248. The Single Tax, by abolishing existing taxation, would save labour over £50,000,000 or give the wages of labour greater purchasing power to that extent. Having abolished taxation we must look elsewhere for public revenue, and we would take the rent of land, which the landlord gets now, and pay it into the Public Treasury.

We will now consider the matter of capital and interest more fully. The objection is often raised that payment or interest is an unjust deduction from the wages of labour. Let us reduce the matter to a simple form. Take the case of any young fellow leaving school. He goes to work. You say, and we say, that he should get all that he produces—the full fruits of his labour. To-day he only gets part of it. Two courses are open to him. He may live up to it, consume it as fast as he gets it, and you know such a man is liable to meet trouble and suffer severely. Or he may save a little from week to week, put it in the savings bank, and after some years he starts in business, or buys machinery. He uses his savings—which are now his capital—and in that way he becomes a more capable producer than he was before. What is called interest is really a form of wages. It is the payment or advantage accruing to him because of his own labour. Suppose you abolish interest, that is, if you could; but let me tell you, you can no more

abolish interest than you can make a journey to Mars. It has existed from the earliest historic times, and will continue till this world is played out and dies. But suppose you could abolish interest, then capital would waste away. Nobody would accumulate unless it paid them to do so. The payment or advantage is interest.

That which is called interest now is often really land rent, or a return upon fictitious or spurious capital. Examples may be seen in stocks of companies, mines and other securities which are "watered" from time to time. I am only showing that true interest is a form of wages. It cannot be avoided, it must be paid. Unless it is paid capital will not be accumulated and we will get back to primitive savagedom.

In the most primitive stages of human development and among the animals each unit or family, for the purpose of reproducing its kind, does everything for itself. It provides its own food, clothes, shelter and so on. With the growth of society came the subdivision of labour. It was found that it was much easier for a man to confine his energies to one thing or a part of a thing and to exchange the surplus over and above his own requirements with producers of other things which he needed. This led to the adoption of a common medium of exchange which we call money.

It will be clear that if men are to get the full value of their labour they must be quite free to exchange the product of their labour for the product of other people's labour. For instance, the farmer grows wheat. If he only grew enough for himself you and I would have to grow wheat or starve. That would mean lessening our efficiency as producers of wealth as well as compelling us to work harder. Every producer of wealth is entitled to the natural market value of his produce. If he gets less, then he does not get the full fruits of his toil. If he gets more, clearly he gets it at the expense of others, who are thus deprived of part of their earnings. For a man to get the full fruits of his labour involves complete freedom to produce wealth from land and complete freedom to exchange all or any part of it with his fellow man. Any artificial barriers, such as tariffs, cause immediate and serious losses. They prevent men getting the full value of their labour.

On account of the enormous losses which labour suffers every year from the erection of artificial barriers to trade I am anxious to make it quite clear that freedom to exchange is natural, right, and moral in the best sense of the term. If any of you want an article sold in a shop across the street you can go and get it. You would resent the action of anyone interfering with you in any way. The principle is exactly the same if the source of supply for your wants is in Sydney, or Melbourne, or New Zealand, or England, or France, or the United States. And you should equally resent any interference in getting what you need, because it is a direct infringement of the principle that labour is justly entitled to its full earnings.

The getting of an article from across the street or the seas is not a one-sided operation. You cannot go shopping empty-handed. Men are first of all producers, they are secondly traders. Production always precedes trade. First of all, your labour has been employed in producing the wealth which you take across the street or send across the sea to pay for the thing you want. You give what you don't want for what you do want. That is trade, and the principle is exactly the same whether you trade with the man across the street or in the uttermost part of the earth. The world is complete in itself. Any section of it is incomplete. The world is the only source of supply of all material human wants, and you at once deny the fundamental principle of the right of labour to produce and enjoy the fruits of its effort by supporting a tariff or taxes of any kind upon any labour product.

The Single Tax is the abolition of all taxes save on land values. I wish now to show that it is practical. The Single Tax is not a class tax. Those who advocate it do not recognise any class struggle. It is not a class movement. We look abroad on the great surging, struggling mass of humanity to-day, and all we see is man. All men have equal rights to life, liberty, and the pursuit of happiness. We are out to establish those rights. We put our hand on the land and say here is the key to the whole situation. We will take this land rent and make it a common fund for distribution among all men. The man who takes land rent is, in trade union language, a blackleg. We are out to stop blacklegging. He is the worst, meanest, and most contemptible of all blacklegs. But we cannot blame him if we allow him to blackleg.

Here are three laws, three natural laws, that I want to mention briefly. First, men seek to gratify their desires with the least exertion. In other words, you take the best job you can get. The landowner is the man who gets ahead and blacklegs on you all the time. It is the easiest job he can see, but he can only take it if you permit him. The second law is that effects are due to causes. That labour applying itself to land is the cause of the effect—the production of wealth. Thus, the effect, wealth, is due to the cause, labour. It is simply another way of stating that labour should get all that it earns, because it has produced it. It is a matter of common right and justice. The third law is the law of national life. We must respect the rights of others as scrupulously as we respect our own. In the ideal social state every man does his share of the work. He puts his shoulder to the wheel. He seeks to maintain equality of opportunity. He insists upon his own rights, but recognises freely that the rights of others are equal to and are as sacred as his own, and must be maintained.

I want now to give some idea of the effect of the adoption of the Single Tax principle. I want to make it quite clear that I don't believe in wasting time over ideas which, if adopted, would only benefit future generations. I believe in a policy which can be adopted at once, which will benefit the men and women of to-day and make the lot of the next generation better and easier than our lot. We live to-day, we want justice to-day. The needs of to-morrow and of the people of to-morrow will be the same as those of to-day, but it will be their duty, not ours, to attend to them. It is for us to do our duty in our day, insist upon equal rights to land, and the full fruits of labour to all producers. The best that we can do for the people of to-morrow is to bequeath them a good example. They will have the power to make or mar their fortunes just as we may do to-day.

When we look abroad on the face of Nature the most remarkable fact is neglected opportunities. As I have shown, land is the source of all wealth. It is for one just as much as for another. We are born with equal rights to the land, as the source of all our supplies from the cradle to the grave. Look around you, whether in city, town, or country, and you will see idle land. Such land is not barren, worthless land, but often land of very high value. Yet labour never gets a chance to use it. It is held for a price by someone who is unable or unwilling to use it himself. That owner has done nothing, but he has the power to demand a tribute from a fellow man for leave to toil. I feel sure that many people do not realise the enormous extent of land which might be used but which is held for a high price so that the owner may get something for nothing. At the present time in the Sydney metropolitan area three-fourths of the land is idle. In a number of municipalities, in addition to idle land, many improvements have served their purpose and are really worn out, and should be replaced with modern structures. This is particularly so in the cities of Sydney, Glebe, Redfern, Newtown, &c. All our tramlines, except the main city and suburban

system and the Cronulla extension, are run at a loss in spite of the increase in fares. Over 2,000 miles of railway are run at a loss, and yet all that is needed to make decent housing conditions for all, and to make all railways and tramways pay handsomely, is fair use of the land served.

The cause of this condition of affairs is not scarcity of labour, or unwillingness of labour to work. It is not due to scarcity of capital or unwillingness of capitalists to invest. It is due to the fact of private ownership of land values. We could employ all our workers at higher wages than they get to-day, we could use all the capital available with advantage, if there were no dog-in-the-manger land owners right in the way of progress. This is where the Single Tax comes in. We put a tax on land values so as to absorb the economic rent of land. When that is done the only object in holding land will be to use it. It will no longer pay to try to get an unearned increment. It is said with a great deal of truth "opportunity makes the thief." Men speculate in land because society gives them the opportunity. They won't work if you allow them to avoid it. The Single Tax by appropriating for society the whole yearly value of land, leaves the landowners only what they produce by their own labour. It would put all men in this position, work or starve, but they need not starve because land is open and calling for labour. To-day the lot of many is work or starve, and no land is open to them and calling for their services.

Low wages and bad conditions result from men being denied access to the storehouse of Nature—the land. Labour and capital are confined to the land in use. Land speculators create an artificial shortage of available land. So we have a surplus of labour, clamouring for work. That means low wages, unemployment, and hard times. The workers are competing among themselves for an insufficient amount of work. There is not enough work to go round. Hence the cut-throat scramble or competition for available work. Then some people, who are big in the heart and soft in the head, jump to the conclusion that competition is the cause of all the trouble. Competition for employment is not a cause, but is an effect of the primary wrong—monopoly of land—which denies labour a chance to employ itself. When a hundred men want work and there is only work for fifty, wages will be low, the struggle for existence keen, and a number will be out of work. Throw open the land so that there is work for 150, and wages will be high, conditions easy, no one unemployed, no struggle or competition between man and man for work. But competition will still exist under another form. It will be like the competition in the cricket field or football field for supremacy, or the competition at the show for a prize for the best wheat, or butter, or fruit, or stock. Competition among men for work, when there is not enough to go round, is bad, but competition among men, when work is abundant in order to excel in getting the best results, is good. In fact, it is only by competition that we can decide the value or merit of a man's product or services. Competition will always exist, man only has the power to decide which kind of competition he will have in his country.

Finally, I will point out how the Single Tax principle may be adopted. We have a triple form of Government in Australia. First, Local Government, which is carried on by our municipalities and shires; second, the State Government for State affairs; and third, the Federal Government for national affairs. We would have one national valuation of land on scientific lines for the Commonwealth. Then the Local, State, and Federal Governments would impose their taxes on that valuation. To a very large extent in N.S.W. rates are now imposed on land values on the single tax plan. Then there is the Federal Land Tax, with a £5,000 exemption and graduations. This tax is not on single tax lines at all. It is a counterfeit, which is temporarily doing service until found out and discarded.

I want now to give you an outline of what the Single Tax can do in financing the country. Here is a summary of the Australian position:—

State taxation for all States, 1913-14	£6,304,836	
Interest on cost of railways and tramways, all State, approx., 1913-14	6,966,779	13,271,615
Federal taxation, Customs 1913-14	12,652,736	
Federal taxation, Excise, 1913-14	2,325,333	
Federal taxation, Land Tax, 1913-14	1,609,945	16,588,014
Local Government taxation, all States, say		5,000,000
		£34,859,629
Privately imposed taxes—		
Twenty per cent. profit on Customs and Excise ..	2,995,615	
Increased cost of local produc- tion, because of the tariff ..	24,160,000	27,155,615
		£62,015,244

There is no proper system of valuation in Australia, so I must make an estimate. I estimate the unimproved value of the land in Australia at £150 per head of the population. In New Zealand, where they have a good State system of land valuation, it is over £200 per head. That gives an unimproved land value of £741,142,800, as the Australian population on the 31st December, 1914, was 4,940,552. Let us now take 5 per cent. as the fair average value of money and regard that as the economic rental value of the land, and you have a revenue of £37,057,140, showing a surplus of £2,197,000. From a financial point of view the proposition is so sound that we would always have a reserve to fall back upon in case of need. It would not be necessary to go cap in hand for a loan to John Bull while a war was on.

I recommend you all to look most carefully into the Single Tax system as formulated by Henry George. The land is the foundation upon which the social superstructure must be built. While one man owns the land another man must live or work on, and is able to charge him rent which he retains and uses for himself, it is mere waste of words to talk about a better social system. That primary wrong has to be redressed as the first step towards a better state of affairs. No other step can be substituted for it. Free land is the fundamental necessity of a free people. The Single Tax will free the land so that labour will be free, independent, and able to work on its own terms.

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THE WORKING OF THE AUSTRALIAN FEDERAL LAND TAX

The object of the following paper is to give an account of the working of the Australian Federal Land Tax, and especially to examine the method of valuation adopted. The tax is a graduated tax. Absentee owners are taxed on the total value of their lands. Resident owners are allowed an exemption of £5,000; they are, however, required to make a return of the value of their land if it lies between £3,000 and £5,000 value. The term "owner" includes those having interests in land of various kinds.

The Land Tax Act, 1910, received the Governor-General's assent on 16th November, 1910, and the Land Tax Assessment Act on the following day. Under these Acts the tax payable for the first year became due after noon on 30th June, 1910, and it became necessary to collect it within the financial year ending 30th June, 1911, *i.e.*, in seven and a half months. The last day for lodgment of non-taxable returns, *i.e.*, those made by resident owners for values between £3,000 and £5,000, was 1st April, 1911. The last day for lodgment of taxable returns was 28th February, 1911; and 22nd May, 1911, was fixed as the day when tax was payable at the offices of receipt. Many taxpayers who were unable to meet the Department's requirements in time were granted extensions of time, but all on the understanding that they would pay the tax before 21st June, 1911. By that date the assessment of all returns had been completed and tax paid in all but an insignificant minority of cases.

AMOUNT OF LAND VALUE DEALT WITH

The following table gives a comparison of the amount of land value brought under review by the valuation for Federal Land Tax with the amount of land value as estimated in other ways.

	Returns of interests in unimproved value.		Total of all returns.	Total land value. £000.
	Under £5,000	Over £5,000		
New South Wales	10,590	66,349	76,939	174,035 (1)
Victoria	16,788	48,041	64,829	149,860 (2)
Queensland ..	1,738	11,008	12,736	43,178 (3)
South Australia ..	5,475	16,322	21,797	33,527 (4)
West Australia ..	636	6,275	6,911	8,145 (5)
Tasmania	1,296	5,214	6,510	12,370 (6)
Central	1,725	33,665	35,390	—
Total	38,238	186,874	225,112	421,115

The figures in the first three columns are from a return granted by the Minister representing the Treasurer in reply to a question by Senator Grant on May 6th, 1915.

"Central" represents those people owning land in more than one State.

The figures in the last column are for the total land value in each State, and are from the following sources and relate to different years as follows:—

- (1) For 1911. THE OFFICIAL YEAR-BOOK OF N.S.W., 1912, p. 801.
- (2) For 1909-10. VICTORIAN YEAR-BOOK, 1911-12, p. 183.
- (3) For 1906. Max Hirsch's LAND VALUES TAXATION IN PRACTICE, p. 69.
- (4) For 1907. Max Hirsch's LAND VALUES TAXATION IN PRACTICE, p. 50.
- (5) For 1911. Being 40 per cent. of the capital value of Rateable Property. See OFFICIAL YEAR-BOOK OF THE COMMONWEALTH, 1914, p. 870.
- (6) For 1911. 40 per cent. of the capital value of Rateable Property. See OFFICIAL YEAR-BOOK OF THE COMMONWEALTH, 1914, p. 873.

The amount of land value brought under review by the Commissioner of Federal Land Tax is thus only 53 per cent. of a very moderate estimate of the land value of Australia, and is probably not more than 40 per cent. of the real land value of Australia.

The following table, also compiled from the return moved for by Senator Grant, shows in addition to the values returned the number of persons making returns.

(All values stated in thousands of £.)

	Returns furnished by persons having an interest in unimproved value of less than £5,000.		Number of land-owners having an interest in unimproved value of more than £5,000.	
	Number.	Unimproved Value.	Number.	Unimproved Value.
Central	682	1,725	1,309	33,666
New South Wales	3,824	10,590	4,806	66,349
Victoria	6,186	16,788	4,142	48,042
Queensland ..	753	1,728	862	11,008
South Australia ..	2,065	5,475	1,582	16,322
West Australia ..	569	636	465	6,276
Tasmania	563	1,296	442	5,214
Total	14,642	38,238	12,888	186,877

For most of the States there are no detailed figures available to compare with those given in the above table. The only State for which I can find complete figures of the number of landowners and of unimproved value is Victoria.

The VICTORIAN YEAR BOOK, 1911-12, at p. 837, gives particulars of the assessments for State Land Tax. Under this tax there is an exemption of £250, disappearing at £500. But the figures given seem to be the total land value.

Assuming that the "Central" of the above table can be distributed *pro rata* among the other returns, so as to find the total number of owners and unimproved value attributable to each State, we have the following comparative table:—

Victoria

(All values stated in thousands of £.)

	From the above table.		From the VICTORIAN YEAR-BOOK.	
	Number.	Unimproved value.	Number.	Unimproved value.
Under £5,000 ..	6,488	17,581	69,424	75,671
Over £5,000 ..	4,610	38,605	4,306	62,200
Total	11,098	76,186	73,730	137,871

It thus appears that in Victoria the number of owners of lands whose aggregate land value is less than £5,000 is sixteen times as great as those holding lands whose aggregate land value exceeds £5,000, and that they own rather more than half the land value. In this State, therefore, the Federal Tax Commissioners have to deal with less than half the work that would need to be done for a straight tax without exemptions, and that half the easiest one.

AREA OF AUSTRALIA DEALT WITH.

In the FOURTH ANNUAL REPORT OF THE COMMISSIONERS OF LAND TAX (p. 103) is given a table, showing the total area of land in Australia and the area included in the returns of taxable values. With the addition of the percentages the figures are as follows:—

State.	Total area. (In millions of acres.)	Area included in taxable Returns.	Per cent. of total area.
New South Wales ..	198.6	33.56	16.90
Victoria	56.2	9.11	16.20
Queensland	429.1	7.35	1.71
South Australia and Northern Territory ..	578.4	6.40	1.11
Western Australia ..	624.6	4.86	0.78
Tasmania	16.8	2.50	14.93
Total	1,903.7	63.78	3.35

The corresponding table in the First Annual Report showed that 3.81 per cent. of the total area was included in the taxable returns. In the next report it had fallen to 3.34, and has since remained practically stationary.

This table bears out the contention that the Federal Land Tax valuations in covering less than half of the land value of Australia have to do with the easiest half to value.

THE VALUATIONS

An interesting table is given on page 20 of the Commissioner's First Annual Report. It shows the total "unimproved value as returned" by the taxpayers to be £207,548,000, while the "unimproved value as ascertained by the Department" was only £178,447,000, that is to say the Department reduced the value by £29,101,000. This diminution of the taxable value was not due to check valuations (which there had been no time to make), nor was it due to the anxiety of the taxpayers to return a high value, it was due to mistakes on the part of the owners. To quote the Report:—

For statistical purposes the owners' amounts are of little value as so many misunderstood the requirements under the law or made many mistakes. . . . The unimproved value as ascertained by the Department is the owner's statement corrected. It represents the unimproved value really placed on the land by the owner with the effect of misconceptions of the law eliminated.

DEPARTMENTAL CHECK VALUATIONS

In the Acts imposing the land tax, provision is made for the Department making its own valuations so as to check the returns made by the taxpayers. Describing the organisation of this valuation the First Annual Report says:—

A corps of temporary valuers was appointed to work under the direction of a Staff Valuer in each State. In each office a small staff was engaged to prepare the work for the valuers, and to record and compare the valuations so that some consistency would be preserved in assessing lands of similar character and accessibility. Where evidence of sale value of unimproved lands was not available, the valuers were required to deduce the unimproved value from the sale value of improved lands, making reasonable deductions on account of the value the improvements represented in the total selling value of the land.

The effort throughout has been to arrive at a value corresponding to the price the land would bring in the open market if divested of improvements.

This shows that even where it is only the value of some particular interest that is required the only satisfactory

method is to ascertain the land value of the property as a whole. This is plainly evident where there are several interests. And it involves the necessity of a Departmental valuation, for the owner of any one interest can hardly be required to give a valuation of the property as a whole, and still less of the land value of the property. To assume that returns by the interested parties are alone sufficient, is to assume that some of them may be required to value the whole property in which there may be several different interests, and it is to assume that any landowner taken at random will value as efficiently and impartially and interpret the law as accurately as the professional valuer. The necessity of the Departmental valuation is clearly shown in the Report we have quoted, which goes on to say:—

It has been found that great misapprehension on the part of the public exists in reference to this matter [*i.e.*, estimating the unimproved value of improved lands], as many land owners, while placing a full improved value on their lands, have deducted so much for the value of their improvements that their resultant taxable value would, if unchallenged, be much less than the land would bring presuming that it were unimproved. . . .

In many instances the Department will assert a higher value than that returned by taxpayers, but this will be subject to appeal. The assessments on revaluation will be kept separate from the ordinary assessments made on the face value of the owners' returns. It has been noted that there are bodies of landowners who have decided to accept the values adopted for local government purposes. Though this may serve to protect the owners from the accusation of wilful under-valuation, the fact remains that some of the shire unimproved values are, in the opinion of the Departmental valuers, far below the actual sale value of the land, which is the true taxing value. The landowning class is often directly represented on shire councils, and there is a tendency on the part of bodies so constituted to limit the values, and the consequent tax, for local government purposes.

Further evidence as to the necessity of the Departmental valuations is supplied by the Second Annual Report of the Commissioner, which says:—

It is recognised that the method of assessing first on the owner's figures and subsequently on the altered data due to Departmental checks is responsible for some misunderstanding and irritation on the part of the landowners, who deprecate the successive assessments in the same year. It has been impossible to avoid the situation that has arisen. The more closely returns are examined and values tested the more certain is the conclusion that the Department can take nothing for granted. The return for the labour of examination and check of values is so great that it would be a breach of trust to act on any other system than that at present followed.

According to the tables given in this Report (page 4), the additional tax caused by the Departmental Valuation was £144,947 for the year 1910-11, and £58,827 for 1911-12.

On a later page (8) the Report says:—

Throughout the year the work of check valuation has been prosecuted continuously in all States.

The law allowed two years from the date of assessment within which to amend owners' values.

An effort was made to deal with all the more important cases within the prescribed period, and it is believed this has been accomplished.

While it was a primary object to secure a fair taxable value in estates presumed to be undervalued, there were many cases which also came under review where the landowner had stated values which in the opinion of the Department's valuer were in excess of a fair standard value. In these cases the landowner has received the advantage in reduction of tax. It was deemed just to treat in this manner the persons who in the endeavour to honestly comply with the law had penalised themselves.

The revised values have been applied as far as possible to the 1910-11 assessment.

The full effects of the Departmental Valuation have only now been realised. The Fourth Report shows the total tax assessed up to 1913-14 and the amount of it due to the Departmental Valuations as follows:—

Year.	Additional tax caused by Departmental Valuation.	Total tax assessed.
1910-11	£159,113	£1,529,015
1911-12	196,621	1,625,002
1912-13	191,490	1,549,664
1913-14	134,899	1,451,773

As will be seen presently the Departmental Valuation has much more than paid for itself.

COST OF COLLECTION OF TAX

On pages 102-3 of the Fourth Annual Report of the Commissioner is given a statement of the cost of collecting the tax to which the following notes are prefaced:—

It should be borne in mind that the revenue shown against each year was not all received in that year.

By comparing the actual expenditure in a year with the actual tax assessed and collected for each of the five years of tax, 1910-11, 1911-12, 1912-13, 1913-14, and 1914-15, the cost of collection has been 1.12 per cent. for the first year, 3.58 per cent. for the second year, 4.79 per cent. for the third year, 5.25 per cent. for the fourth year, and 4.25 per cent. for the fifth year. It would, however, be improper to leave these figures without explanation.

For the first year the Department on its official side had merely to meet six months of salary expenditure, half the year's rental of offices, and no valuation expenses, as the organisation was only called into existence as from December, 1910—the Act having received the Governor-General's assent on 17th November, 1910. But this expenditure is related to a full year's tax which became due on 1st July, 1910, and was collected before 30th June, 1911, on assessments based on owners' unchecked values.

In the second year the valuing organisation was gradually called into existence, and has only reached its full strength during the third year. But the effect of the valuation work is only now apparent in the addition to the first four years' tax, and as the values, once established, were capable of adoption for the four years in most cases without the necessity of revisitation of the land, it is considered just, to spread the average expenditure over the four years. An average percentage rate of 3.80 is thus arrived at. Apart from the valuation expenditure the increase in administrative expenditure is slight, and is solely due to the gradual strengthening of the permanent organisation to meet the developing needs of the work.

The following is the statement of the position of the various assessments as at 31st May, 1915:—

Assessment for	Receipts.	Disbursements.
	£	£
1910-11	1,528,730	17,121
1911-12	1,621,851	58,021
1912-13	1,539,466	73,778
1913-14	1,435,900	75,367
1914-15 (Estimated)	1,882,000	80,000

The average cost of collection for the five years was 3.80 per cent.

On page 14 of this Report a table is given showing "the details of increases and decreases in the several States

as between the values returned and assessed for the financial year 1912-13." The totals are as follows:—

	Town.	Country.
Number of holdings valued	7,524	10,454
Number of valuers engaged	16	37
Total cost of valuations	£16,160	£59,695
Average cost per holding	£2 2s. 11d.	£5 14s. 2d.

The table also states that the area valued was 51,528,137 acres and the average area 4,929 acres; but this must obviously refer only to country lands. The table would indicate that the cost of valuation for the 1912-13 assessment was greater than the total disbursements as stated above. Presumably the cost is that incurred down to the date of the report, *i.e.*, for the years 1912-13 and 1913-14. In this case the cost of valuation must account for about half of the disbursements.

COST OF VALUATION COMPARED WITH THAT IN NEW YORK

Taking the figures for the 1913-14 Assessment we find that the disbursements were £75,367, while the total unimproved value assessed was £196,821,855. But the disbursements included the cost of collection as well as the cost of assessing. If we assume that half the cost was for the assessment alone—surely a reasonable assumption—then the cost of assessment works out at about £190 per £1,000,000. In New York the cost of assessing real estate works out at only £72 per £1,000,000. (See the Report of the New York Commissioners for 1913, p. 21).

CONCLUSION

The Australian valuation deals with only a very small fraction of the area of Australia and takes into account less than half the land value. This is a consequence of the fact that resident owners are allowed an exemption of £5,000. It is therefore an open question whether the method of valuation adopted would be equally suitable if all the land value were subject to taxation. Still less does it follow that the system would be applicable to the much more complex conditions of land tenure in this country. Finally, the system is not properly speaking an owners' valuation, for the reports of the Commissioner of Land Tax show that the Departmental Valuation is an essential to the obtaining of an accurate valuation. It would rather appear that the owners simply supplied the rough data for collecting the tax at its beginning, and that they supplied also the information as to leases and other incumbrances which have now been collected in this country by the official valuation.

F. C. R. D.

EARL'S LAND FOR HOUSING

The Dudley Town Council decided on October 9th to purchase 55 acres of land from the Earl of Dudley at £14,000 for 300 artisan dwellings, which will cost £100,000.

In view of the cost of the buildings, materials being estimated to have increased about 40 per cent., the Local Government Board have offered to meet the council half-way.—(THE DAILY EXPRESS.)

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WAR TAXATION

HOW IT AFFECTS THE WORKERS

The following letter and leaflet have been sent by the United Committee to various Trade Unions, Trades Councils and other labour organisations in London. Similar action has been taken by the Land Values Leagues in other parts of the country with very encouraging results. The letter explains itself, and we need not emphasise to our readers the importance of such work.

THE LETTER

DEAR SIR,

The Budget introduced in the House of Commons on the 21st September failed to recognise that those who hold the land should be called upon to pay for its defence.

Instead of a Land Value Tax the Budget has brought increased taxation of food and imports, which is equal to a reduction in wages.

Another Budget will quickly follow this one.

Are further exactions to fall upon the wage-earners, and upon the poorer classes? It is surely at this time imperative that your organisation, equally with all other progressive forces, should boldly register a protest against such injustice.

We claim that a tax on Land Values (and this includes the value of mineral-bearing land) would be a just source of revenue and would stimulate the production of wealth, thereby minimising if not preventing the bad trade and unemployment which threaten at the close of the war.

Apart from the yield of revenue, which would be very considerable, the Taxation of Land Values would open up the land to the people and lower rent to its natural level. This we believe to be the essential first step to a more equitable distribution of tax burdens.

Holding these views we should welcome an opportunity to have them stated by one of our speakers at a meeting held under your auspices when the attached resolution could be submitted. (This offer of a speaker applies equally to any society of which you or any of your colleagues are members.)

Failing a special meeting, perhaps you may be able to arrange that a part of the time of one of your regular business meetings may be devoted to this purpose.

In the event of your society passing the resolution would you kindly send copies to the Prime Minister, the Chancellor of the Exchequer, the Members of Parliament for your Division, and to the United Committee, 11, Tothill Street, London, S.W. Separate typewritten copies for this purpose are enclosed.

Yours faithfully,

JOHN PAUL.

NOTE.—The enclosed leaflet indicates how land monopoly exploits private and municipal enterprise, and gives some idea of the enormous source of revenue to be found in the value of land.

RESOLUTION

1. This meeting profoundly regrets that in its recent War Budget the Government have failed to recognise that those who hold the land should be specially called upon to pay for its defence.

2. This meeting affirms that a direct tax on Land Values would open up the land to the people by bringing more land into the market and reducing rents to their natural level, that it would be a practical expression of the rights of the people to the land, and that it is the only tax which can raise revenue without hindering production, or adding to the cost of living.

3. This meeting views with grave apprehension the financial and industrial prospects of the country after the War, and calls on the Government to make preparations at once for completing and bringing up to date the 1909 Finance Act valuations, as a basis for imposing a National Tax on Land Values at the earliest possible moment.

THE LEAFLET

A tax on land values is the only tax that does not increase the price of commodities or restrict the production of wealth. John Stuart Mill says that it "falls wholly on the landlord. There are no means by which he can shift the burden upon anyone else."

The taxation of land values will compel unused land to be developed—whether agricultural land, building sites, mines, quarries, or other natural resources. It will, therefore, increase the opportunities of employment, diminish the competition in the labour market, and increase wages.

How we Penalise Industry

When a man builds a house, a shop, a warehouse, or a factory, erects machinery, sinks a pit shaft, or cultivates land better, both National Taxes and Local Rates are imposed on his industry. His improvements are taxed, and these taxes restrict industry and are added to the cost of the goods produced. This is as foolish and injurious a method of obtaining public revenues as the antiquated plan of taxing windows.

But if a man holds land out of use, he pays little or nothing in rates and taxes. We penalise industry, and encourage men to keep land idle, thereby hindering the production of wealth, causing unemployment, and lowering wages.

Local and National Taxation should be removed from improvements and placed on the value of land, whether the land is used or not, for the value of the land is created by the community and belongs to the community. This would oblige and encourage everyone to develop land fully, stop land speculation and free industry.

London's Vacant Land

There are no less than 12,600 acres of land within the administrative area of the County of London which are vacant and suitable for building, exclusive of parks, open spaces and the like.

One-seventh of London's land is vacant.

The whole of this land may not be immediately available, but probably at least 10,000 acres are available. In other words, some sixteen square miles of valuable land in the Capital are being withheld from use. The owners have done nothing to create that value, which is due entirely to the growth and industry of the whole population, and so long as the owners withhold the land they pay no rates.

No wonder that there is a serious shortage of houses and that rents are so high.

How long could the owners hold this land out of use if they were compelled to pay rates and taxes on its full selling value, instead of escaping taxation as they do to-day?

London loses in rates from vacant land some three-quarters of a million sterling a year.

Our Rating System

Little more than a third (35 per cent.) of the land in urban districts in England and Wales is used for houses, gardens, shops, factories, &c. But this land with its improvements bears almost all the burden of local rates.

Practically two-thirds (65 per cent.) of the land in urban districts is rated as "agricultural land," though very valuable and urgently wanted for housing and industrial purposes. Being put to this inferior use, it is assessed at an insignificant amount, and contributes only 2½d. out of every £ collected in rates.

These figures are not guess-work. They are based on an official document—White Paper 119 of 1913, price 3d.—which gives particulars of how the burden of rates falls in 1,076 Urban Districts in England and Wales, having a

population, in 1911, of 21,206,450. The totals for all these Urban Districts are as follows:—

Total area	3,884,139 acres.
Area rated as "agricultural land" ..	2,533,035 acres.
Rates paid on all land	£35,429,301
Rates paid on land rated as "agricultural land"	£400,689

A Typical Case—Walthamstow

In Walthamstow 3,100 odd acres, built upon and used, contribute £206,700 to the rates.

Contrast this with the fact that 1,200 acres, unbuilt upon and unused, pay only £400 to the rates.

This shows the extraordinary extent to which land-users are burdened with rates, while the land-monopolist and land-withholder escapes.

Although contributing practically nothing, the undeveloped land commands a high value in the market and owners stand out for high prices.

Both the undeveloped 1,200 acres and the improved 3,100 acres should be assessed for rates and taxes on the value of the land alone and buildings and improvements exempted. Then the undeveloped land would be forced into use and houses, shops, &c., would be relieved of their present unjust burdens.

The Benefits of Better Communication

Mr. Gooday, General Manager of the G.E.R., giving evidence before the House of Commons Select Committee on Workmen's Trains, on 20th July, 1904, said:—

"He had cases where guards, signalmen, and others had complained that their rents had been largely increased owing to the demand created by the increased train facilities, and in consequence appealed to the Company for increased wages. The increase in rents at Walthamstow had been most noticeable after the all-night service had been put on."

Sir George Gibb, presiding at a meeting of the Metropolitan Railway, in February, 1909, referred to the following statement contained in a recent report of the London Traffic Branch of the Board of Trade:—

"The public do not always get the benefit of a reduction in fares. One of its effects is to raise the value of land, and in such cases the traveller may pay as much in increased rent as he gained by the lowering of his fare, the whole benefit going to the landowner."

At a Board of Trade Inquiry, the Managing Director of the Tilbury Line gave evidence that "So far as he had seen, the result of increased facilities for workmen's trains was that the workman had so pay 6d. or 1s. per week more rent."

The taxation and rating of land values would give the people the full benefit of better travelling facilities.

Failure of Slum Clearances

Rehousing schemes have resulted in little or no rehousing in the sense of the persons displaced occupying the new dwellings in the areas affected.

In the Blackwall Tunnel case the clearance displaced 1,210 persons; housing close by was provided for 1,104 persons, but only 9 of the original occupants returned.

In the Boundary Street area, out of 5,719 displaced only 11 returned.

In the Falcon Court scheme, out of 800 displaced only 40 of the 500 provided for returned.

New houses are built on land for which such an exorbitant price has been paid that the municipality must, if the

scheme is not to be a financial loss and a charge on the rates, fix rents so high that the poor cannot possibly pay. They only drift off elsewhere so create new slums, and public money has been spent in vain.

The housing problem is due to three things—(1) low wages, (2) high rents and prices for land, (3) the taxation of buildings and improvements. It can only be solved by taxing and rating land values and ceasing to tax and rate buildings and improvements. This will prevent the withholding of land in town and country, cheapen houses, increase employment and raise wages.

Why Cottages are Scarce in the Country

In Horsted Keynes, in Sussex, where there is a cottage famine, a man has built three labourers' cottages on half an acre of ground.

The cottages have been assessed, and each will have to pay yearly 38s. 6d. to the rates.

Near by are hundreds of acres quite as suitable for cottage sites, but as the owner keeps the land empty for sport alone, it is assessed at only 2s. 6d. per acre and pays 3½d. yearly to the rates.

So when land is used for cottages, the rate burden is £11 11s. per acre. When locked up for sport the payment is only 3½d. per acre! Can we wonder that employment is scarce, wages low, and house rent dear in the country, and that men are driven into the towns to compete for jobs, thus causing town wages to be low?

To cure this, assess all land at its site value for rates and taxes and do not rate or tax houses. Rates and taxes would then have to be paid according to the real value of the land, whether used for sport or for cottages. Buildings would be freed from taxation. It would profit no one to keep valuable land idle. Wages would be higher, rents lower, and there could be no unemployment. The drain of men from the countryside would cease.

[Copies of the leaflet and of the letter and resolution may be obtained from the United Committee 11, Tothill Street, London, S.W.]

OUTHWAITE SCORES.

Mr. Outhwaite has put many questions and made many speeches in his brief Parliamentary career, but he has never got home so heavily as he did the other day on poor Mr. Cowan, who formerly sat for somewhere in Surrey, but who subsequently migrated to his native Aberdeen. Mr. Cowan speaks as mildly and as gently as the dove coos, and his accents have none of the sturdiness that one is wont to associate with the stalwart Highlander, so when he donned his war-paint and sallied forth to demand the cutting off of Parliamentary salaries his fellow-members were aghast at the protest. The spectacle was too much for the Land Taxer from Hanley, who promptly rose to ask Mr. Asquith whether, if he were reducing the incomes of Cabinet Ministers and M.P.'s, he would also annex the "inflated" profits of the makers of penny-in-the-slot gas machines—a very deserving branch of national industry in which Mr. Cowan holds an honoured and eminent place. The House laughed uproariously. Poor Mr. Cowan looked as flattened out as if an armoured motor-car had passed over him; and when, later on, he rose to speak on the Elections Bill and was called to order by the Speaker, Will Crooks in the most soothing but most exasperating of tones exhorted him "to put another penny in the slot, old man." I fancy Mr. Cowan will find when next he appeals to the electors of East Aberdeenshire that the "hecklers" will not have forgotten Mr. Outhwaite's interjection.—LONDON OPINION, 25th December.

ANSWERS TO TYPICAL QUESTIONS

[The following answers to questions are based on the Answers to Typical Questions in "The Taxation of Land Values" by Louis F. Post. Some, however, are new and others are altered.]

Q. Would not the merchant shift the land-value tax by adding to the cost of his goods?

A. No. If the merchant is not a landowner, but simply rents the land on which his business is carried on, the owner of the land will pay the tax. And if the merchant owns the site of his business premises, the competition of other merchants will make certain that he does not pass on the tax. He could not compete successfully if he attempted to do so. This is one of the differences between taxing land values and taxing goods. Merchants now do pass on the taxes on their goods and on their places of business.

Q. What good would the taxation of land values do to the poor, and how?

A. By forcing all desirable land into use, it would throw open to labour the means of producing wealth and would enable the poor to abolish their poverty by their industry.

Q. Hasn't every man who needs it the right to be employed by the government?

A. No. But he has a right to have government secure him in the enjoyment of his equal right to the opportunities of employment that nature and social growth supply. If government secured him in that respect, and he could not get work, it would be because: (1) he did not offer the kind of service that people wanted; or (2) he was incapable. His remedy if he did not offer the kind of service that people wanted, would be either to make people see that they were mistaken, or to go to work at something else; if he was incapable, his remedy would be to make himself capable. (If he is mentally and physically unfit, that is a different question, which has nothing to do with employment.) In no case would he have a right to government interference on his behalf, either through schemes to make work, or by bounties or tariffs, or in any other special way.

Q. Would working people whose savings are in savings banks or insurance companies which own land lose by the shrinkage in land values?

A. Not if the companies were managed intelligently. Well-managed companies would shift their investments as they noticed the persistent decline in land values. No sane insurance company or bank has all its investments in one subject. But working people could well afford to give up the insignificant fraction of the land values of the country that they own in exchange for freedom from the immense share of present taxation they bear—not to mention the effect of taxing land values in increasing wages. It is not thrifty working people, but rich idle people who would lose by the taxation of land values.

Q. If taxes have to be paid by labour, what difference does it make to labourers whether they are levied in proportion to land values or otherwise?

A. When taxes are levied on earners in proportion to earnings, they take what the earners would otherwise keep; but when they are levied upon landowners in proportion to land values, they take for the benefit of the whole people what the earners must in any event lose.

Q. Is not ownership of land necessary to induce its improvement? Does not history show that private ownership is a step in advance of common ownership?

A. No. Private use was undoubtedly a step in advance of common use. And because private use seems to us to have been brought about under the institution of private ownership, private ownership appears to the superficial to have been the real advance. But a little observation

and reflection will remove that impression. Private ownership of land is not necessary to its private use; and so far from inducing improvement, private ownership retards it. When a man owns land he may accumulate wealth by doing nothing with the land, simply allowing the community to increase its value while he pays a mere nominal tax, upon the plea that he gets no income from the property. But when the possessor has to pay the value of his land every year, as he would have to under the single tax, and as ground renters do now, he must improve his holding in order to profit by it. Private possession of land, without profit except from use, promotes improvement; private ownership, with profit regardless of use, retards improvement. Every city in the world in its vacant sites affords proof of the statement. It is the sites that are owned, and not those that are held on ground lease, that remain vacant.

Q. Would not the taxation of land values destroy the basis of credit—land values?

A. Land values are not the basis of credit. Merchants do not prefer mortgages on land as security for commercial debts, unless they hope to get ownership by foreclosure. The true basis of every man's credit, from the consumer at the country shop to the great retail merchant at the factory or the warehouse, is honesty, opportunity, and ability. He who will pay his debts if he can, and has an opportunity to earn enough to pay them with, and is able to make good use of the opportunity, needs no land values to offer as a basis for commercial credit. He has the ideal basis of all credit. This basis of credit every honest man would have if the taxation of land values were fully in operation.

Q. What would be the effect of the taxation of land values if you still left railways, gas-supply, water-supply, and other monopolies in private hands?

A. The real strength of all monopolies is land monopoly, or unjust taxation (e.g., protective tariffs), or other restrictions on free competition. The monopoly of a railway company, for instance, consists, not in the ownership of the rails, locomotives and rolling-stock, but in the exclusive right to use a narrow strip of land between terminal and terminal. Abolish land monopoly by taxing land values and the power of all monopolies that depend on land or unjust taxation will disappear. These include all the greatest and most powerful monopolies. Any other privileges granted by government which foster monopoly should also be abolished, but they are of minor importance. Retain land monopoly, and the abolition of every other kind will avail nothing in the end.

PROPERTY IN LAND*

This pamphlet, originally delivered as an address, covers a vast variety of ground from primitive land customs to the problem of finding employment for Belgian refugees. Perhaps it was rather ambitious of the author to treat of so many subjects in so small a compass, yet this method has the advantage of revealing the universal interest and importance of the land question, and so attracting people of differing tastes to consider this subject. No one is likely to add much to the fundamental principles enunciated by Henry George, but there may be an infinite variety of methods in expounding, and the necessity may arise for applying the principles to circumstances that he did not contemplate. Every new pamphlet by a qualified author has, therefore, its uses just as much as the standard works on our subject. So we offer a hearty welcome to Mr. Melland's work.

* PRIVATE PROPERTY IN LAND. An Address by E. Melland. Manchester: Charles H. Barber, 24, St. Ann Street. Price one penny.

PARLIAMENTARY DEBATES

FINANCE (No. 3) BILL

Third Reading, 9th December, 1915

Mr. DUNDAS WHITE: The hon. Gentleman who spoke from the other side referred to the case of the farmers, and the new Income Tax imposed upon them. He also mentioned the Report on agricultural depression which was issued some years ago. He spoke of the farmers on whom the results of the depression mainly fell, and of the reduction of rents made by the landlords. I am by no means certain that farmers during recent years have not been as well off as they were before the period of agricultural depression yet those who hold interests in agricultural land have suffered very considerably. The taxation of farmers, as well as the taxation of householders, is doubtless higher, and it has been made higher still by this Budget. It is really time, I think, for the House to consider whether the whole basis of the Income Tax ought not to be altered, and I put it to the Chancellor of the Exchequer that both as regards farming, the making of agricultural improvements, and the building of houses, the effect of this increased taxation will be detrimental to these industries. I want to help those industries as much as possible. Before the Bill leaves this House to go elsewhere I submit to my right hon. Friend, who will probably have a new Finance Bill to present before very long, that these things should be taken into consideration, and that he should try, as far as possible in dealing with the landed interest, whether relating to houses or to farms, or to production generally, to rearrange taxation as between the land and the buildings and improvements in such a way as to minimise the damage to production, and in point of fact, to increase production in this country as far as he possibly can. Upon the successful carrying out of that principle the well-being of this country will very largely depend.

INCREASE OF RENT (WAR RESTRICTIONS) BILL

Second Reading, 1st December, 1915

Mr. DUNDAS WHITE: Various representations have been made with regard to mortgagees who are either building societies or poor people. If we are to deal with the rent question, we must deal with the mortgage question as well. Everybody has admitted that the two go hand-in-hand, and if we once adopt that principle then I very respectfully submit that it should be carried out without respect of persons. It must be done whether the mortgagee is a rich man or whether he is a poor man, or whether the mortgagee is an investment company or a building society. I put this view forward because I know that the other case for making special exceptions has been put forward, and has apparently had some effect on the mind of the President of the Local Government Board. I would like to see the matter extended still further, and I will give the House another case from Scotland. It is not necessary merely that this mortgage interest should be limited where the rent is limited, but it may have to be limited in other cases as well. I take the case of Grangemouth and Bo'ness. These ports in the Firth of Forth have been closed to shipping by Admiralty orders. The result is that people have left these places, that there are many empty houses, and that rents which prevailed before cannot now be obtained. Yet, in these places, as well as in others, there is an attempt to put up mortgage interest. If that is done, the practical result will be that the owners of small houses will be squeezed out altogether. I put that forward to show that this remedy, temporary as it is, should be adopted generally, without distinction of time and place.

I entirely agree with what has been said about the danger in carrying legislation of this kind too far, of deterring people from building and people from lending money on mortgage for building. We none of us put this measure forward on economic grounds. We put it forward simply as emergency legislation to deal with special cases which have become gravely aggravated since the War. The

housing problem has been with us before. It will be with us long after the War, and it will ever continue to be with us until we go to its very fundamentals. Various causes of the difficulty have been put forward. We have been told of the great and increased cost of repairs which one hon. Member said amounted to something like 30 per cent. We have been told how increased taxation has pressed upon house building, and that is an outstanding feature of recent taxation. You have now, in addition to the other difficulties, practically the taxation of houses under Schedule B of the Income Tax. You have as well a steady rise in rates. Certain remedies have been put forward. My hon. Friend the Member for the Blackfriars Division of Glasgow (Mr. Barnes) said that cheap money advanced by Parliament to local authorities was wanted. How that cheap money is to be obtained by Parliament, or by the local authorities, is not, to my mind, quite clear, but it is quite clear that the first step we have to take is to limit, to check, and to abolish as far as we possibly can this rating and taxation of houses, which is a penalty upon building in every part of the country. No sooner is a house put up than it is taxed and rated on a very high scale. No industry is so heavily rated and taxed as the building industry, and I suggest, when this present emergency is over and we go to the fundamentals of the question, that we should at least try to reform the Income Tax so as to relieve houses and other buildings from taxation as far as we possibly can. Another difficulty in the way of houses is that of obtaining the land on which to build them.

PARLIAMENTARY GLEANINGS

Collected from Answers to Questions in the House of Commons

VALUATION DEPARTMENT (OFFICIALS).

Mr. R. McNEILL asked the Chancellor of the Exchequer, on November 17th, whether temporary and permanent officials in the Valuation Department of the Civil Service who, not being starred, feel that it is their duty to express willingness to be called up in their proper classes under Lord Derby's scheme for military service require permission from the Commissioners of Inland Revenue before doing so in order to bring themselves within the scope of the Treasury Minute as regards salary and reinstatement; whether such permission will be granted to all unstarred men who enlist for future service; whether such men who so enlist without permission will be dismissed or subjected to any penalty; and whether it is proposed to issue any armlet or badge of Civil servants who, although anxious to enlist, refrain from doing so without permission.

THE CHANCELLOR OF THE EXCHEQUER (Mr. McKenna): Members of the temporary staff of the Inland Revenue Valuation Office are at liberty to relinquish their temporary employment at any time, and if they do so in order to join His Majesty's Forces, the month's notice, which under their contract they are strictly bound to give, is waived. With regard to members of the permanent staff, the Commissioners of Inland Revenue have issued a notice to the effect that they are prepared to consider further applications to join His Majesty's Forces, and, where permission is given, the usual terms authorised by the Treasury will apply. Badges are issued, under certain conditions, to Civil servants who have made a *bona fide* application to be allowed to enlist, but have been refused permission on the ground that they cannot be spared without disorganising the work of their Departments respectively.

LAND TAXATION (RELIEF TO LANDOWNERS).

Mr. ELLIS DAVIES asked the Chancellor of the Exchequer, on November 30th, whether, in view of the need for economy and the increase in the value of agricultural land owing to the War, he will consider the desira-

bility of withdrawing the relief granted to the landowners, under the Budgets of 1909-10 and 1914, by which a revenue of £300,000 a year is lost?

Mr. MONTAGU: The relief referred to is based on average actual expenditure and in these circumstances my right hon. Friend cannot adopt my hon. Friend's proposal.

In answer to supplementary questions Mr. MONTAGU said: I do not know anything about the accuracy of the figure. I believe, however, that the cost has been stated in answer to a question. . . . It was considered by the House of Commons inequitable that landowners should be charged Income Tax on money spent in maintaining their estates and I see no reason for departing from that decision.

LAND VALUATION STAFF.

Commander WEDGWOOD asked the Chancellor of the Exchequer, on December 7th, whether, among those appointed to the permanent staff of the Land Valuation Department during the past month, there are many who are fit for military service; and, if so, whether permission will be granted to such men to enlist, have their places kept open, and their present positions filled for the period of the War by men who have been dismissed from the Department as not being on the permanent staff and who are ineligible for military service?

Mr. MCKENNA: Members of the permanent staff of the Inland Revenue Valuation Office will be permitted to enter Section B of the Army Reserve under the new scheme, and subsequently, when their group is called up, to join the active forces in every case where it is practicable. In order to facilitate this object the Commissioners of Inland Revenue propose, so far as possible, to appoint temporary substitutes of non-military age from the former temporary staff.

POACHING CONVICTION, INVERNESS

Mr. ANDERSON asked the Secretary for Scotland on December 2nd whether his attention has been drawn to the action brought by Mackintosh of Mackintosh, Lord-Lieutenant of the county of Inverness, against Donald Watt, a carter, who set a trap and caught a rabbit as a delicacy for an invalid child; whether he is aware that for killing one wild rabbit, of which there are hundreds of thousands on the Mackintosh estates, this workman was fined £1, with £1 1s. as expenses; and whether, in view of the fact that this workman has given three sons to the War and that one of them has been killed in action, he will take steps to have the sentence remitted?

Mr. MCKINNON WOOD: The report I have received confirms the statements of my hon. Friend as to the facts of the case. I have decided to remit the penalty.

(See December LAND VALUES, p. 211.)

GAMEKEEPERS

Mr. OUTHWAITE asked the Under-Secretary of State for War on November 25th whether his attention has been drawn to a case in which a man was fined £1 1s., with £1 1s. costs, for killing a rabbit belonging to the Mackintosh of Mackintosh; and, in view of the fact that two gamekeepers of military age appeared for the prosecution, can he state how many men are employed in the preservation of game in the United Kingdom, and whether any special efforts will be made to secure their services for more important work than that revealed in this case?

Mr. TENNANT: The circumstances mentioned in the first part of the question would not, as such, come before the attention of the Army Council. I am not quite clear on what evidence the hon. Gentleman has reached the conclusion that the two gamekeepers who were mixed up in the incident were of military age. I am unable to say how many men are employed in the preservation of game,

but I can inform the hon. Gentleman that special efforts are being made to secure for the Army the services of all eligible men, including gamekeepers, who are not already employed in work that is essential to the public well-being.

Mr. OUTHWAITE: Will the right hon. Gentleman confer with Lord Derby as to the advisability of suspending the Game Laws, so as to enable all these men to give their services?

Mr. TENNANT: No, Sir, I cannot do that, for this reason: that the article they are preserving is very useful for human food. Moreover, so far as my knowledge goes, almost the entire proportion of those who are eligible for Army service have already joined the Colours.

Mr. OUTHWAITE: In view of his reply, is the right hon. Gentleman aware that this rabbit was alleged to have been killed by this man in order to provide food for a sick child; therefore the abolition of the Game Laws would facilitate that provision?

Mr. TENNANT: Would the hon. Member make inquiries as to the eligibility or otherwise of the person who killed the rabbit?

Sir G. YOUNGER: Is the right hon. Gentleman aware that rabbits are not within the Game Laws at all?

[No one can be aware of that, because it is not the case. The carter could not have been convicted for taking a rat or a weasel; but he was convicted for taking a rabbit, because rabbits are within the game laws. In various Acts which have been passed to prevent poaching and trespassing on land in pursuit of game, rabbits are included either under that name or under the name of conies.]

So strict, indeed, was the law that even the occupier of the land had no right to kill or take the hares and rabbits on the land without the consent of his landlord before the Ground Game Act, 1880, which made that right (subject to certain qualifications) "incident to and inseparable from his occupation of the land." That Act, as its preamble shows, was passed "in the interests of good husbandry, and for the better security for the capital and labour invested by the occupiers of land in the cultivation of the soil . . . to enable such occupiers to protect their crops from loss and injury by ground game." That Act of 1880 was extended by an amending Act of 1906, and the time is ripe for more drastic treatment of the game laws.]

DEPREDACTIONS BY FOXES

Mr. ANDERSON asked the Parliamentary Secretary to the Board of Agriculture on October 21st whether he has approached the Masters of Foxhounds Association with regard to the increasing number of foxes and their increasing destruction of valuable food; whether he has urged the adoption of measures for the protection of farmers and poultry-keepers against the depredations of foxes; and what steps he intends to take to see that any recommendations made are carried into effect?

Mr. ACLAND: As I informed the hon. Member, in reply to the similar question he addressed to me on the 16th September, the Board made strong representations to the Masters of Foxhounds Associations on the subject of the depredations by foxes in various parts of the country. I am now glad to be able to inform the hon. Member that a reply has been received from the association, dated the 15th instant, which shows that up to that date replies had been received by the association from a large number of Hunts. Without exception, they all state that it is their intention to give effect to the Board's representations by reducing the number of foxes. In many cases it is stated that more foxes have been killed than ever before. In view of these assurances, I do not think that any immediate action of a more drastic nature is called for on the part of this Board, who will, however, continue to keep the matter under close observation. Instructions have been issued to that effect to the Board's officers in various parts of the country:

DEPREDACTIONS OF RABBITS

Sir G. SCOTT ROBERTSON asked the Parliamentary Secretary to the Board of Agriculture on October 26th whether he has any figures which give the approximate loss, stated in millions of pounds sterling, to the nation's food supplies which is caused by the depredations of rabbits; whether he can give any estimate of the cost of the various preventive measures taken to protect the crops against these animals; and whether he will state what, if any, steps are being taken to prevent these devastations and waste?

Mr. ACLAND: I am afraid that no estimate can be given of the loss caused by the depredations of rabbits or of the cost incurred in attempting to prevent them. The attention of the War Agricultural Committees is being directed to the importance of keeping down vermin of all descriptions, including rabbits.

Mr. W. THORNE: Will my hon. Friend recommend the abolition of the Game Laws?

Mr. ACLAND: I think it would be a good thing if the provisions of some of the Game Laws were relaxed in favour of tenants who would do their best to exterminate rabbits, and not regard them from the point of view of the interests of sport.

GAME LAWS (SCOTLAND)

Mr. DUNDAS WHITE asked the Lord Advocate on December 16th, in view of the express provisions in Section 8 of the Game (Scotland) Act, 1772, and in Section 1 of the Game (Scotland) Act, 1832, that a person may be convicted of a breach of these Game Laws on the evidence of one witness, whether, in the event of the Game Laws being amended, he will consider the desirability of bringing these provisions into conformity with the general principle of the law of Scotland, which requires at least two witnesses for a conviction?

The LORD ADVOCATE (Mr. Munro): In the event of legislation being proposed to amend the Game Laws, the question referred to by my hon. and learned Friend will, so far as I can give an undertaking on the subject, be considered. I desire to add that I am not to be taken as assenting to the view that the law of Scotland requires at least two witnesses for a conviction.

Mr. D. WHITE asked the Lord Advocate on December 16th, in view of the provision in the Game (Scotland) Act, 1772, that half of any penalty or forfeiture for any breach of that Act shall be paid to the prosecutor and the other half shall be applied to the use of the poor of the parish, or to the repairing of the high roads within the parish where the offence shall be committed, as the sheriff or steward-depute or substitute shall direct, if he will say to what authorities this second half of the fine is generally directed to be paid; and whether the penalties are shared in the manner described where public money has been expended on the prosecution?

Mr. MUNRO: As prosecutions under the Act referred to by my hon. and learned Friend are generally undertaken on behalf of either private parties or county authorities, I regret that I am unable to give the information sought in the first part of the question. With regard to the second part, the expense of such prosecutions is never borne in whole or in part by the Exchequer.

Mr. D. WHITE asked on December 16th, whether penalties and forfeitures for breaches of the Game (Scotland) Act, 1832, are still paid to the moderator or other officer of the Kirk Session of the parish where the offence was committed for the use and benefit of the poor of such parish as provided by Section 7 of that Act, although the obligations in respect of the relief of the poor of the parish are now performed by parish councils; and whether, in the event of the Game Laws being amended, he will consider

the desirability of having these penalties and forfeitures made over to the Treasury like other fines?

Mr. MUNRO: Prosecutions under the Statute referred to by my hon. and learned Friend are almost invariably private prosecutions, for which the Lord Advocate has no responsibility. According to my information, however, the answer to the first part of the question is in the affirmative. To the second part of the question, the answer is also, so far as I can give an undertaking, in the affirmative.

[These questions and answers disclose a state of affairs which should have been remedied long ago. Our readers will note that, while the general law of Scotland does not allow of a conviction on the uncorroborated evidence of a single witness (this appears to be the more correct way of stating it), that rule does not apply to offences under these Game Acts, owing to the special provisions in the sections mentioned. They will also observe how the penalties and forfeitures are dealt with, and will probably agree that these should long ago have been treated in the same way as other fines. The only satisfactory feature is that the expenses of such prosecutions are never borne, either in whole or in part, by the Exchequer.]

. . . If I could stride out to the Doggerbank, some morning, and striking down my trident there into the mudwaves, say, "Be land, be fields, meadows, mountains and fresh-rolling streams!" by Heaven I should incline to have the letting of *that* land in perpetuity, and sell the wheat of it or burn the wheat of it according to my own good judgment!—Carlyle, PAST AND PRESENT, Chap. 7.

Very many co-workers, especially those attached to the Scottish League, will regret to learn of the death of Mrs. Orr. After a long and trying illness, she passed away quietly and peacefully at the home of her daughter, at Putney, on November 29th. The pages of LAND VALUES have often told of the work of Mrs. Orr's family in advancing the cause, but there was none more keenly interested or devoted to it than their mother. She was one of those silent supporters whose names seldom or never appear in our columns, but to whom the movement owes much, more we sometimes think than the active and better-known workers imagine. Coming from a long line of farmers and herself a farmer's wife, Mrs. Orr knew the land question by hard and bitter experience. Henry George's indictment appealed to her, for she knew "the barrenness of the isolated farmer's life—the dull round of work and sleep, in which so much of it passes . . . its lack of recreation and excitement, and of gratification of taste, and of the sense of harmony and beauty; its steady drag of cares and toils that make women worn and wrinkled when they should be in their bloom." Mrs. Orr was a radical by instinct, and by conviction. She came into the movement some twenty years ago, and quickly made herself conversant with all its activities and aspirations both at home and abroad. She was a keen politician and was profoundly convinced of the wisdom and the efficacy of our practical policy as advocated in parliament and in the country, and to the last maintained her interest in its progress. With sympathy born of knowledge she gave her family every encouragement in their efforts to make opinion for the taxation of land values; her home at Glasgow was a centre of Single Tax thought and activity. For her own sake Mrs. Orr was loved and adored by her family, and by a wide circle of friends. She has left them a sweet and gracious memory. We join in sincerest sympathy with the family in their great loss.

PUBLIC AND PRIVATE INTERESTS

ANOTHER SMALL HOLDINGS FIASCO

(From a Correspondent to the SCOTSMAN, 20th November.)

Too much publicity cannot be given to the mischievous vagaries of the Board of Agriculture for Scotland in the promotion and abandonment of the ill-considered Garmony small holdings scheme in the Island of Mull. . . . Garmony is a grazing farm in Mull. It extends to 1255 acres. It was let at Martinmas 1912 for 19 years at a rent of £120. It does not require very much common-sense to let one see that it is a serious thing to turn out tenants who have 16 years of their lease yet to run. We make bold to say that it is a thing which no member of the Board would have thought of doing if the damages or compensation had had to be met by himself personally or out of a private family fund of which he was a trustee. The only explanation, quite consistent with mental equilibrium, must be sought in the blunting force of corporate action plus the inevitable indifference to cash results when the British public is to pay. . . . Whatever be the explanation, or whether there be none except that some irresponsible underling was allowed to rush in where he was totally ignorant, the fact is that the Board launched a "scheme" for the taking of the farm for small holdings. The Land Court approved, a fact which to many minds would not be a conclusive proof of the sense of the proposals. Two arbitration proceedings were set up, the one between the Board and the landlady, and the other between the Board and the tenants. Necessarily there followed the appointment and employment of arbiters, clerks, and legal assessors to the references, solicitors, counsel, valuers, and expert accountants, not to speak of a small crowd of officials, carrying on the game at the expense of the public. The proprietrix was awarded £1,822, in addition to which, of course, she was to continue to draw the land rents, amounting to about £100 a year. That arbitration was quite disappointingly brief and simple as compared with the tenants' case. The latter involved elaborate witness-leading, debates by learned counsel, and an appeal to the Court of Session. The learned arbiter, advised and guided by his learned assessor, proposed to give the tenants £2,030, which would not have been bad for them, seeing that their rent was only £120, that the arbiter assessed their average profit at £200, and that when they got their cheque for £2,000 odds they could have bought with it an annuity of £170 for their whole sixteen years, and lived as gentlemen at large, or turned their trade capital as well as their energy and ability to accounts in another farm. It will be observed that this scheme, hatched in the wisdom of the Board of Agriculture, and blessed by Lord Kennedy's Court of Justice, would, on the arbiter's proposals, have cost the British public (reckoning the land rents at £2,000) no less than £5,852 for a farm the rent of which was only £120. And this in time of war, when the Government is practising economy! These ridiculous figures were materially reduced by a characteristically sensible judgment by Lord Johnston, which led to the cutting down of the tenants' compensation by about one-half. Even then, however, the proposed cost was terrible, and to it there might safely be added, say, £3,000 as a modest estimate of the cost to the country in the form of expenses when regard is had to the crowd of Judges, arbiters, professionals, and officials employed, all of whom must be assumed to have given valuable time to this ghastly conception.

And now comes the climax. The game has been carried on for more than a year. It has been kept going right up to the date when the Board were to take possession of their

farms. On the eve of term day the Board coolly announced that they are not going on, and that, so far as they are concerned, the proprietrix may keep her buildings and the tenants may stay where they are. The treatment of the proprietrix is shocking; the treatment of the tenants is far worse, for their entire course of farming has been interrupted; but the treatment of the British taxpayer is worst of all. The £3,000 of costs—or whatever the sum may be—is irretrievably gone, and with it there is equally irretrievably gone any reputation of the Board and the Land Court for prudence entitling them or either of them to have the control, in this time of crisis, of any public funds, at least for such purposes as small holdings. This is clear on the figures, and the fiasco of a result, but it is clearer still when it is stated, as appears to be the case, that the reason for the abandonment of the scheme is that everything was complete *except the small holders*, who are non-existent.

SHOULD FOXES BE INTERNED? Ruinous Raids Among Poultry

£500,000 FOOD BILL

(From the DAILY EXPRESS, 27th November, 1915.)

The grave havoc wrought among poultry farms by fox raids, and the consequent serious loss in the nation's food-stuffs, has raised the question whether foxes should be wholly destroyed, or whether they should be interned during the period of the war.

One of the alternatives is the internment of all poultry.

Miss Galbraith, hon. secretary of the Poultry Keepers' Protection Society, of Lincoln, presents the problem in the following interesting letter:—

To the Editor of the DAILY EXPRESS.

SIR,—Foxes cost the country £500,000 yearly in food alone. The Board of Agriculture has appealed to the hunts to reduce their foxes and to protect the food supply of the people. But the Board proposes to place the matter in the hands of the county war agricultural committees and district sub-committees.

These committees are dominated by fox-hunters and those whose interests are bound up with theirs, we fear. This only means that the district sub-committees will be used to coerce farmers into wasting more capital in wiring and restricting their poultry, to their own loss. Intimidated poultry-keepers are helpless to move in self-protection.

Recently a hunting man in the south-east demanded in the Press that the names of those who dared to claim compensation for losses of poultry should be published, in order that their neighbours might denounce their unpatriotic action.

Owing to the high prices of foodstuffs it is almost impossible to make poultry pay, and when birds reared on costly foods are destroyed it is heart-breaking and ruinous. Yet the Board of Agriculture urges us to produce more and still more.

One man in the west responded to the appeal, and foxes took toll. He reported his loss, and no compensation was paid, but more cubs were turned down close by. He has now had to give up land rented especially for poultry. No cub or fox has been killed in that vicinity this year, although four foxes were put up on the first day's hunt.

A lady in another county responded, renting house and land for the purpose, and foxes killed the whole of her stock, as well as the whole of a neighbour's. No fox or cub has been killed in that district within memory.

With foxes out of the way the poultry industry would produce quite £20,000,000 to £30,000,000 more annually in a very short time.

A. S. GALBRAITH, Hon. Sec.,
Poultry Keepers' Protection Society.

Timberland, Lincoln.

THE POPULATION OF LONDON

An analysis of the census figures of 1911 relating to London has been made by the Clerk to the London County Council, and was published recently. The population of London is continually increasing, he states. In 1801 there were 1,114,644 people in greater London; four years ago the number was 7,251,358, representing an increase of 551 per cent. The population of extra-London (greater London outside the county) increased very slowly up to 1851, and then rapidly. In each of the three decades, 1861-71, 1871-81, and 1881-91 it added 50 per cent. or over. Between 1801-1851 it doubled; it nearly doubled again between 1851-71, more than doubled again between 1871 and 1891, and nearly doubled again between 1891 and 1911. London's population reached its maximum in 1904 or 1905 and began to increase again between 1910 and 1911. There is still room for expansion in Wandsworth, Lewisham, Woolwich, and Hammersmith particularly, and in a less degree in Camberwell, Lambeth, Fulham, and Hampstead and Hackney. The arrest in the growth of the population of London which has been disclosed by the 1911 census must not be confused with a condition of stagnation or sterility. The population of London is continually increasing, as is disclosed by the excess of births over deaths. The nominal decrease is merely the outcome of the growing inadequacy of the county boundary to represent the limits of what is popularly known as "London." The City of London, Holborn, and Westminster actually showed a smaller population in 1911 than in 1801, 110 years before, the City being at its maximum a century and a decade ago, and Holborn in 1851. Westminster reached the maximum in 1861, with 260,000, and then its population fell as steadily as it rose until 1911, when it stood at exactly the same figure (160,000) as in 1801. Finsbury, Holborn, Marylebone, and Shoreditch seem to be pursuing much the same course.

The average density of population in London (60 per acre) is eight times as great as that in extra-London (7.4). In Southwark (170), Shoreditch (169), Bethnal Green (160), and Stepney (159) it is the highest, and the lowest in Woolwich (15), Hampstead and Wandsworth giving 38 and 34 persons per acre. In extra-London West Ham tops the table with 61.7, and Greenford figures at the bottom with .3.

FIXING HOUSE RENTS An Australian Method

As Parliament will soon continue a discussion on how to prevent the raising of house rents in working class districts a few particulars of a Bill introduced into the New South Wales Legislature last August will be of interest. The measure sets up Courts to determine the rent of dwelling houses on the application of either landlord or tenant; and directs that the Court in fixing the rent shall first ascertain the capital value of the house. This is defined as "the unimproved value of the land plus the estimated cost of erecting a similar dwelling house thereon at the time of the receipt of such application, less such fair and reasonable sum as may be estimated for any depreciation which diminishes the letting value of the dwelling house." The "current rate book" of the shire or municipality is conclusive evidence of the unimproved capital value of the land, and the Court shall determine the fair rent "at the rate of not less than five nor more than seven and a half per centum of the capital value of the dwelling house determined as aforesaid," plus the annual rates and taxes, the estimated yearly cost of painting and repairs, insurance, annual depreciation on the value of the buildings, and an amount fixed by the Court to represent the estimated time per year when the house may be unoccupied. The rent, however, is in no case to exceed ten per cent. of the capital value. If a house be let furnished the Court may at its discretion determine the rent of such furniture. Three

years is the normal period for which the rent is to be fixed, and it cannot be altered within that time unless the owner shows that substantial alterations and additions have been made to the house. Subletting by the tenant at a higher rent than that fixed by the Court is punishable with a fine; and any agreement to pay rent in excess of the sum fixed is made void.

One provision—curious to the English reader—testifies to the care taken that lawyers shall not reap any harvest out of legislation of this kind. Section 8 provides that neither barristers nor solicitors shall be allowed to appear for any party or upon any application in the Court, and if one of the parties be unable to appear or efficiently to conduct his case, the Court may permit some other person "not being a member of the legal profession" to appear, no such person being entitled to demand any fee or reward for his services.—(MORNING POST, 24th November.)

TOWN-PLANNING IN GERMANY

It is highly interesting to note from a recent article in THE TOWN-PLANNING REVIEW that the organised laying-out and planning of German cities has resulted in a condition of affairs vastly inferior in many respects to those which have resulted from the somewhat haphazard and individualistic methods of developing building lands long favoured in this country. The German system undoubtedly produces fine-looking cities, the large tenement houses being far more impressive architecturally than the small separate houses which have been erected here in consonance with the individualistic trait in our character. From every other point of view, however, it would seem that the balance of advantage lies with the latter. The erection of these large houses has greatly enhanced the value of the land built on, which in Berlin is stated to be valued at three or four times as much as similar land in London, and nearly one-half of the population of Berlin live accordingly in a single room of one of the tall tenements crowded round internal courts. In London, in spite of our many tall buildings, the average number of inhabitants per house is eight, the corresponding figure for Manchester being five. In Berlin the average number per house is now 77, and there are houses accommodating 250 families each. The density of the population is, in fact, more than twice as great as in London, being 32,000 per sq. km., as compared with 15,000. The result on the health of the people is said to be disastrous. Although there is proportionately a larger influx of healthy country people into Berlin than into London, yet London has about 30 per cent. less deaths between the ages of fifteen to twenty-five years than Berlin, where also the tuberculosis death-rate is 50 per cent. greater than in London. Of the young men called up for the army, only 33 per cent. of those from Berlin are accepted as medically fit—a proportion which in the case of those whose parents were also born in Berlin falls to 19 per cent. The following quotation from an article by Dr. Werner Hegemann is of peculiar interest:—"The Continental countries, which, unlike the Anglo-Saxon countries, had full town-planning powers, used them, not to remove the lack of dwellings, but to increase the number of storeys and the price of land. Theoretical discussion of town-planning took place first on the Continent, but nearly all achievements in town-making have been made in England and the United States." The evil results of town-planning powers, as exemplified at Berlin, are attributed by our contemporaries to an over-representation of the landed interests in the local and national Government; but perhaps a portion of the blame should be debited to the architects, who find in the construction of large tenement buildings and wide streets greater scope for what are known as "architectural effects" than in the erection of rows of small houses.—(Reprinted from DUBLIN EXPRESS, 24th August.)

NEWS OF THE MOVEMENT

MANCHESTER LEAGUE

5, Cross Street, Manchester.

The following meetings have been addressed since last going to press:—Branches of the National Union of Railwaymen at Garston, Liverpool, Salford, Guide Bridge, Crewe, and Rochdale (E. M. Ginders and A. H. Weller); Manchester No. 8 Branch of Society of Carpenters and Joiners (A. H. Weller); Pendleton Congregational (D. J. J. Owen); Failsworth New Church (A. H. Weller); Manchester County Forum, two meetings (J. F. Kilgarry and E. M. Ginders); Walkden I.L.P. (E. M. Ginders); Bolton Co-operative Debating Society (H. B. Hobson); Beech Road New Church, Stockport (D. J. J. Owen); and the weekly meetings of the Reading Circle at 94, Sandy Lane, Chorlton-cum-Hardy.

At all the above meetings of Trade Unionists (except one) strongly-worded resolutions condemning the taxation of wages and food, and demanding the taxation of land values, were carried unanimously. A similar resolution has just been unanimously adopted and forwarded to the usual quarters by the Executive Committee of the Newton Division Labour Party, who had received a copy of the Manchester League's circular-letter. Amongst other meetings in January, it has been arranged for the Secretary to address Railwaymen during a week-end tour in North Wales at Wrexham, Ruabon, and Denbigh.

In striking contrast to the entirely sympathetic and often enthusiastic reception of our policy by all the Trade Unionists hitherto reached through this effort, is the attitude of the Sheffield, Chesterfield and District Council of the National Union of Railwaymen, to whom a circular had been sent. In a report of a meeting of the Council which appeared in the RAILWAY REVIEW of December 10th, occurs the following:—"The tit-bit of the day came by circular from an organisation entitled 'The Taxation of Land Values League,' inviting us to receive a member to address us. This was relegated to the W.P.B., as we do not believe in these side-tracking half measures. Oh, no! we do not believe in the taxation of the land. We want to free it from its present monopoly by socialising it along with industry, so we refuse to allow our name to be used as a handle to any such quack organisations." This at least affords variety, as well as a stimulating change from the monotony of a three months' campaign without opposition.

The new penny pamphlet written by Mr. E. Melland, PRIVATE PROPERTY IN LAND, may now be obtained from this office. Single copies, post free, two pence.

ARTHUR H. WELLER, Secretary.

ENGLISH LEAGUE

376 and 377, Strand, London, W.C.

The January Quarterly Meeting of the Central Council will be held in the League Office on Monday, January 24th, at 7 p.m. After the usual quarterly business, Mr. Andrew MacLaren, of the United Committee for the Taxation of Land Values will read a paper to be followed by discussion.

A number of copies of A. C. Auchmuty's GEMS FROM HENRY GEORGE have been bound in leather, at the suggestion of a member, who proposed to use some of them as gift books at Christmas and New Year. There are a limited number still for sale at 1s. each; post free 1s. 2d. The sixpenny edition, in paper covers, can still be supplied.

The paper by the General Secretary on "Land, Labour and Taxation after the War," which appeared in last

month's LAND VALUES, is now available in pamphlet form, price one penny; post free 1½d.; 5s. per 100 (by post 5s. 6d.).

The following meetings have been arranged for January:—

- Sun 9.—Blackfriars Mission, Stamford Street, S.E.: Fredk. Verinder, "German Efficiency *versus* British Liberty." 3 p.m.
- Sun. 16.—Kingston Humanitarian Society, Fife Hall, Fife Road, Kingston-on-Thames: J. W. Graham Peace, "The War and its Causes." 7 p.m.
- Wed. 19.—Women's Co-operative Guild, Baptist Church Hall, Palmer's Green: Fredk. Verinder, "Taxation of Land Values." 3 p.m.
- Sat. 29.—T. P.'s Circle, Palmer Park Hall, Reading: T. P. Whitaker, M.A., "How to Get Rich Without Working: by one who has not done it."

The subjects for discussion at the January meetings of the Harlesden Branch (held at 89, Wrotesley Road, Harlesden, on Fridays, at 8.15 p.m.); will be as follows:—

- Jan. 7.—J. W. Graham Peace, "The National Debt and the Workers."
- „ 14.—J. McCulloch, "Practical Steps in Land Value Taxation."
- „ 21.—Councillor Blacklock, "Interest, and its Cause."
- „ 28.—Rev. Councillor R. Silvy, "By-products of War."

The Adult School, meeting at Kingsley Hall, Bow, on Sunday mornings at 9.45, devoted the whole of its session on December 12th to a study of the Land Question under the leadership of F. Verinder.

The General Secretary sincerely thanks the many members of the League who, orally or by letter, have shown their sympathy with him and his family in their bereavement. He also gratefully records the following resolution adopted by the Executive on December 13th:—

"That the Executive of the English League for the Taxation of Land Values tender their heartfelt sympathy to the General Secretary and his family on the sad loss they have sustained in the passing away of Mrs. Verinder. They wish to place on record their admiration of one who, by the influence she has had on her children, and by the sympathy and support she has always given the movement, has earned our sincere gratitude."

The resolution was moved by H. Mundy and seconded by Joseph Sheward—two of the Secretary's oldest friends in the League.

FREDERICK VERINDER,
General Secretary.

SCOTTISH LEAGUE

67, West Nile Street, Glasgow.

The solution of the Greenock Housing Problem referred to last month seems to be in some little doubt. The Council's proposal was to build 75 workmen's cottages, but according to the GLASGOW HERALD of November 29th: "It is understood that, should the Corporation of Greenock decide to go on with an instalment of the 75 cottages for working-men, proposed to be erected at Craigieknowes, east end of the town, the Admiralty will provide a substantial share of the cost. The ground, 10 acres in extent, has been feued by Sir Hugh Shaw Stewart at £16 per acre." Evidently this scheme does not rest on an ordinary business basis, inasmuch as the Admiralty are to provide a "substantial" share of the cost and Sir Hugh Shaw Stewart is to provide the land at abnormally low rates compared with the average rate in Greenock for many years. Sir Hugh, philanthropy apart, seems to be doing pretty well considering the times we live in. It seems quite clear that £16 per acre per annum will work out at somewhere around 600 or 700 per cent. increase on the present use value of Craigieknowes for other purposes than building workmen's cottages.

The Organising Committee of the League met on December 8th and discussed a circular letter on the Taxation of Land Values, and leaflet to be sent out to trade unions and kindred bodies. It was agreed to go on with this work, and to include farmers' unions.

The weekly meetings in the Offices of the League were continued on the 10th and 17th December. The subject under discussion was the adjourned meeting of the Programme of the Union of Democratic Control. Mr. Robert Shanks opened on the 10th and Mr. John Wilson on the 17th. The items of the programme were keenly reviewed and at the close the openers of the debate, Messrs. Fairly, Shanks, and Wilson, were warmly thanked.

Mr. Joseph S. Burt addressed a special meeting of the Glasgow Central Liberal Association in the Liberal Rooms, 943, Argyle Road, on Thursday, 16th December. Mr. Burt took as his subject, "War Finance and Taxation," and showed how important the Taxation of Land Values bore on the financing of war costs. There was a fair attendance and an interesting discussion. The meeting was well reported in the *GLASGOW HERALD*.

The economic class at Dumbarton and the weekly meeting at Alexandria, held in the Wesleyan Methodist Hall, initiated by Mr. John L. Carvel, have been carried on during the month of December with great success. The meetings are on Tuesday and Wednesday. The text book of the Political Economy Class is *PROGRESS AND POVERTY* of which there has been a circulation of some 25 copies. These meetings are principally attended by Glasgow University students, who are engaged at the Whitworth Armstrong Munition Works at Alexandria where over 100 are employed. No better field can be conceived for the planting of true principles of political economy and taxation, and we have to congratulate Mr. Carvel upon the manner in which these meetings have been conducted. Mr. Mungo Fairley lectured at the Wednesday meeting on the 22nd December.

It is with deep regret we announce the death of Mr. Hugh Macrae, who passed away at his residence, 12, Lansdowne Crescent, Glasgow, on Saturday, December 4th. Mr. Macrae was well-known in political circles in Glasgow and was specially attached to the principles of Henry George. The sympathy of the League and the whole movement is extended to Mrs. Macrae and her sons and daughter in their bereavement.

JAMES BUSBY, Secretary.

WELSH LEAGUE

98-100, Queen Street, Cardiff.

On December 6th the honorary secretary addressed a meeting of the Blaenavon Trades and Labour Council. After the address several members spoke, and all expressed themselves in favour of the League's policy. A resolution protesting against the increased taxation of food and industry, and urging the imposition of a substantial tax on land values, was passed unanimously, and copies were sent to the Prime Minister and the Chancellor of the Exchequer.

It is hoped that some more meetings of this nature may be arranged; and with that end in view copies of the December issue of *LAND VALUES*, with reports of various meetings addressed by Messrs. Weller, Skirrow, and Wright, under the auspices of branches of the National Union of Railwaymen, have been sent to branches of the N.U.R. in Cardiff and district.

Last month a meeting of colliery workmen was held at Abergwynfi to protest against increased house rents. According to the report in the *SOUTH WALES DAILY NEWS*—

Councillor Idris Waters presided over a well-attended meeting of colliery workmen at Abergwynfi, when the

action of certain landlords in the locality of raising rents of workmen's houses during the present crisis was strongly condemned. Councillor Dd. Jenkins said the District Council had decided to take steps towards maintaining rents at their normal level. Mr. Wm. Bowen, a member of the Neath Board of Guardians, said it was their duty as Trade Unionists to see that landlords bore a fair share of the burden of taxation. He held that a tax on land, whether used or unused, was the true solution of the question. A resolution was passed supporting the District Council's action, namely, to do all in their power to keep rents at their normal level.

The Mr. Bowen referred to is an enthusiastic member of this League, and we are glad to note that he took the opportunity of pointing out the true solution of the problem.

Friends of Mr. W. A. Howells, who was so actively identified with us, will be glad to hear that he keeps well and desires to have all the news of the movement. He is now a sergeant-major in the R.A.M.C., and has been on active service for some months.

Mr. Wm. Thomas, one of the honorary secretaries of the Mountain Ash Branch of the N.L.Y.L., in forwarding a renewal of the affiliation fee, writes: "The movement deserves more support than ever, and we shall need its vigilance in matters of taxation." He refers to the land question as one that "surpasses in importance most of the questions in our programme." We are grateful to our Mountain Ash friends for their continued support.

EUSTACE A. DAVIES, Hon. Sec.

YORKSHIRE LEAGUE

71, North Street, Keighley.

The following list of meetings includes a number which were not sent in time for inclusion in our last report:—

- Oct. 27.—A. W. Dakers, Crook Co-operative Society.
- „ 28.—A. W. Dakers, Throckley Miners' Lodge.
- Nov. 3.—A. W. Dakers (two meetings), Ouston Miners' Lodges.
- „ 11.—A. W. Dakers, Birtley Miners' Lodge.
- „ 18.—A. W. Dakers, Bedlington Co-operative Society.
- „ 25.—A. W. Dakers, Bedlington Miners' Lodge.
- „ 27.—F. Skirrow, Amalgamated Society Carpenters, &c., Leeds.
- „ 28.—A. W. Dakers, Washington Glebe Miners' Lodge.
- Dec. 5.—F. Skirrow, Young Men's Class, Greenfield, Bradford.
- „ 9.—A. W. Dakers, Tanfield Lea Miners' Lodge.
- „ 12.—F. Skirrow, Bramley Socialist League.

Mr. Chamberlin, of Darlington, has spoken at Bowden Close Miners' Lodge, and is arranging meetings at Sunderland and Carlton Mow (Cleveland).

The very cordial reception given to our speakers is most encouraging and makes one very much inclined to agree with the optimistic prediction of Mr. Dakers, that "we are on the verge of a great triumph if we only keep pegging away." We have never before experienced so much avowed sympathy as we are meeting these days.

Many of our members have joined the Army, and I am sorry to have to report the death of one of the active group of friends at Sutton, Crosshills, in the person of Private Joseph Bancroft, the loss of whose companionship is greatly deplored by his friends and colleagues. He was killed in action "somewhere in France."

A member forwarding renewal of his subscription by an increased amount writes that the increase "indicates my growing interest in the work." Another member says that he hopes that *LAND VALUES* will still continue to be published, because when this war does get over taxation will be the question.

F. SKIRROW, Secretary.

COLONIAL AND FOREIGN

NEW SOUTH WALES

Valuation of Land Bill

In his second reading speech on the 19th August the Minister in charge of this Bill (Hon. Arthur Griffith) made out a very strong case. In his introductory remarks he explained that:—

The object of the Bill is to provide that in future the values of properties in this State shall be arrived at by some kind of logical system. To-day we are without any sort of system in regard to valuations. Different organisations for different purposes make independent valuations, which vary and fluctuate in a way impossible to follow, and in place of the chaos which exists to-day we propose to establish system.

In the course of his speech, the Minister cited some shocking examples of crooked valuations. He mentioned six estates picked out in one district at the inception of the Federal Land Tax. Valued at £39,228 in the shire books they were, as a result of a careful valuation, increased to £80,433 for the purposes of the Federal Tax—although they still remain at the lower figure in the shire books! To quote other examples:—

Newcastle land values show a decrease of £52,000 from 1907 to 1914! Vacluse, a popular suburb, increasing in population, also shows a decrease! Casino, a progressive North Coast town, discloses a valuation to-day £33,000 less than in 1908! Nowra land values have decreased by £19,900 since 1908! Wellington, one of the most solid western towns, the centre of a wealthy district, reveals a diminution of no less than £24,000 since 1908!

The Minister's comment on the valuers is:—

I do not say they are frauds, but they deliberately under-value very often by instructions. That is not so in every case, however; there may be cases where they over-value. What we want to get at is neither over-valuation nor under-valuation, but a fair valuation of the property.

THE MOST IMPORTANT FEATURE

Highly important as is the proposed system in respect to the State, it is to the wider field that we must ever look. This is evidently a step in the direction of standardising the valuation right throughout the Commonwealth. We cannot do better than quote the Minister's own words (HANSARD 1242), which succinctly sum up the whole proposal. He says:—

At the last Premier's Conference the following resolution was passed unanimously:—

"This Conference affirms the desirability of uniform valuations for Commonwealth and State purposes being adopted as early as practicable, the necessary legislation or administrative steps in that direction to be taken by each of the States."

The proposal is that each of the States shall do as we are doing now, and I believe that when negotiations are completed the State valuation will be adopted for the purposes of levying the Commonwealth land-tax. There will be one standard of price. Land will not be valued at £3 for rating purposes and £13 for resumption. It will not be valued for probate purposes at one amount and for taxation at another, or at one rate for borrowing money and at another for selling purposes. The new bureau will be of very great assistance to buyers and sellers of land. A man who desires to buy a property will be able, on the payment of a fee, to inspect the bureau valuation, to ascertain the value a few years back, what land is selling for and what is the valuation of the owner, and he will be able to arrive at the actual value much more closely than would be possible under existing conditions:

VICTORIA Rating Reform

The September issue of PROGRESS (Melbourne) contains the annual report of the Free Trade and Land Values League. After giving a satisfactory account of the activities of the League the report says:—

The question of Rating Reform is in a most unsatisfactory state. It is five years since Parliament undertook to make a valuation, and almost two years since the Act giving Municipalities the option of Rating on Land Values was passed. Yet, to-day, there is not a single Municipality in which the valuations have been completed. The chief officials are most willing to help: but have found it impossible to complete any group so far as to have them gazetted—and so made available for rating purposes. We are doing what we can to get a few made available for use in September, but it is doubtful whether we can succeed. If they are not completed in a few weeks it will be impossible to have even one experimental illustration for another year.

In December last we promoted an amendment of the Rating Act which makes it possible for any municipality whose lands have been valued by the State to at once adopt the reform instead of having to wait till the whole State Values were compiled. Everything therefore depends upon the State officials and even when their work is completed very many of their valuations will be out of date and trouble will in that way be created.

PROTECTION IN AUSTRALIA.

The protectionists have been endeavouring to exploit the national animosities which have been developed by the great war. As a protest, your Executive Committee organised a deputation to the Minister of Customs. A large number of our members attended and placed the case against protective duties before the Minister. He made no attempt to rebut the statements, contenting himself with making a few irrelevant remarks. It has to be confessed that Free Trade has not made any striking progress in Victoria. In Western Australia however the farmers are definitely organised on a Free Trade basis and recently succeeded in getting some of their candidates returned to the State Parliament, although opposed by both the regular political parties.

The Taxation of Land Values, on the other hand, has got a firm hold on the popular mind. It has a definite place in State and Federal Finance, and nothing can now prevent it becoming the recognised method of raising Municipal Revenue. The incidence of the Federal Land Values Tax Act has been radically amended so as to greatly increase the revenue which will be collected from land. A recent discussion in the caucus of the Labour Party showed a considerable proportion of the members to be in favour of still further increasing the rates. The manner in which the party rigidly adheres to the large exemption, however, shows that it does not understand the Land Question in its relation to the Labour Question.

The proposal to reduce the exemption was apparently put on one side in favour of a heavy Income Tax. Such a tax must of course re-act on industry, and will ultimately be passed on to the general public by the owners of Capital.

FAILURE OF LAND SETTLEMENT IN VICTORIA

The vaunted settlement of the Land Question by the State Parliament, through the purchase of estates and their subsequent division, is now confessed to have been a failure. A Parliamentary Commission has reported that the scheme has broken down and that a heavy loss will fall upon the public. A large area bought cannot be disposed of, and many of the men who selected land cannot possibly succeed. The Commission also stated that the price of land had been inflated as a result of the Government entering the market as a large buyer. This is only another evidence of the impossibility of dealing with the Land Question on lines other than our own:

NEW ZEALAND

Review of the Progress of the Movement

The following statement has been prepared by the New Zealand League in response to a request for a statement as to the position and prospects of the movement:—

1.—*What has been done in New Zealand in the way of propaganda?*

The Auckland Anti-Poverty Society was started by Auckland Single Taxers in 1887. It was afterwards known as the Ground Rent Revenue League, and that developed into the New Zealand National Single Tax League, now known as the New Zealand Land Values League, with a branch in each of the four big cities—Auckland, Wellington, Christchurch, and Dunedin.

Sir George Grey—"New Zealand's grand old man"—for some years held the post of President of the Anti-Poverty Society, with Mr. Edward Withy as Acting-President. For years, also, the Hon. George Fowlds has acted as president of the League. For the greater part of the time, from 1887 onward, very little was done in the way of organised propaganda work, though occasional lectures were given, several pamphlets and many leaflets were published, and at times a vigorous newspaper correspondence would be carried on. In 1900 a monthly paper, *THE LIBERATOR*, was established, and 5,000 copies have been printed and distributed monthly ever since. This paper has undoubtedly done much to popularise our views and to co-ordinate the movement.

In 1910, chiefly owing to the generosity of Mr. Joseph Fels in subsidising our income to the extent of £ for £, a Lecturer and Organiser for the Land Values League was brought out from England, and held that position until the outbreak of the war, addressing many meetings up and down the Dominion, organising campaigns for rating on unimproved values, keeping up constant newspaper correspondence, and writing a "Land and Labour" column which appeared each week in four or five of the leading journals.

A very comprehensive account of the land reform movement in the Dominion appeared in the special New Zealand number of the *Single Tax Review*, written by our Organiser and Mr. P. J. O'Regan and others.

Mr. P. J. O'Regan, at one time M.P. for Inangahua and now a rising barrister, has long been one of the stalwarts of the movement in New Zealand, and with the Hon. Geo. Fowlds has kept the flag flying in all weathers.

2.—*What concrete results have been obtained?*

In 1878, under the Premiership of Sir George Grey, the Hon. John Ballance imposed a land tax of a halfpenny in the £, but the privileged classes rallied desperately, ousted Sir George Grey from office, and repealed the land tax the following year, before it had time to make itself felt. Eleven years of Toryism and a general Property Tax followed. But at the close of 1890 the first election under "one man one vote" took place; the Tories were routed, a Ballance-Grey Ministry took their place, the Property Tax was repealed, and a Land Tax of one penny in the pound, with an exemption up to £500, was imposed in its stead. Under this measure improvements were only exempt from taxation up to £30,000, but in 1893 the tax on improvements was abolished. In 1895, in 1900, and again in 1907, substantial reductions were made in our Customs Tariff. It is estimated that in 1913 the saving to the people, resulting from the Tariff reductions in 1900 and 1907, totalled upwards of £750,000, and that allowing only 50 per cent. for wholesalers' and retailers' profits on the taxes, &c., would mean a total relief of over one million sterling per year. In addition to the ordinary land tax of one penny in the £, a graduated land tax is also levied where the unimproved value of land held by a single individual exceeds £5,000. This tax ranges up to 5½d. in the £ for land with an unim-

proved value in excess of £200,000. The graduated tax is increased by 50 per cent. in the case of absentees, but the additional absentee tax does not apply to companies.

In 1896 a measure—the Rating on Unimproved Values Act—was passed, enabling the ratepayers in cities, boroughs, counties, &c., by initiative petition and referendum vote, to exempt improvements from taxation, and to rate land values only, except in respect of water rates, lighting rates, sewerage rates, and Hospital and Charitable Aid rates. But in 1911 the Act was extended to apply to all local rates.

The rating of unimproved values has now been adopted by 61 boroughs (including the cities of Wellington and Christchurch), 34 counties, and 40 lesser authorities (Town Boards, Road Boards, &c.), making 135 in all. Twenty-nine of these levy the whole of their rates on the unimproved value alone.

The national land tax yields £767,451 a year (including the graduated and absentee taxes, £258,135), or 12·97 per cent. of our total tax revenue of £5,918,034. It is estimated that roughly one-third of our local tax revenue of £1,968,767, is derived from unimproved land values.

3.—*What results are in sight for the future?*

In spite of the war, one local authority after another is being compelled, by the initiative and referendum, to adopt rating on unimproved values; and wherever it is carried since 1911 it applies to *all* rates.

The prospect of a war tax, and the increasingly high cost of living, keep the question of taxation ever before the eyes of the people. Both sections of the Labour Party demand a further reduction of the Customs Tax on necessities of life, and a corresponding increase of the Land Tax; the United Labour Party demanding an increase of one penny in the £, and the Federation of Labour an increase of twopence in the £, on the ordinary land tax.

Prior to the last General Election, also, Sir Joseph Ward, the Liberal leader, denounced the Customs Taxes on necessities, and declared for "a marked increase of the graduated land tax" to replace them, coupling this increase with a special super-tax on idle lands near the big centres and the railways.

The present Conservative Government holds office by a minority vote. Under Proportional Representation there would be a Liberal-Labour majority of 4 in place of the existing Tory majority of 2. The Tories may hang on till the end of the war, but hardly longer, and when they go the mere oppressive Customs Taxes must also go, and that will necessitate a corresponding increase of the land tax—ordinary or graduated, or both—probably both.

Both sections of the Labour Party are also pledged to make rating on unimproved values compulsory for all local bodies, for all purposes.

THE NEW ZEALAND WAR BUDGET

The New Zealand League has issued a vigorous manifesto on the proposals for new taxation as outlined in the Budget. The manifesto has been well noticed in the Press. The following are some extracts from it:—

"Notwithstanding the definite assurances of Ministers to the contrary, during the progress of the last election contest, it has been admitted on all sides for months past that a war tax was inevitable, and Ministers have stated that the masses of the people would not be unduly penalised thereby. There has now been submitted to the country, however, not a war tax, but a multiplicity of taxes, most of them unsound in principle, and inequitable, irritating, and injurious in practice. The dominant features of the Budget are the comparative insignificance of the land value taxation, the discrimination between country land and town land, and the smallness of the amount which the wealthy are to be called upon to provide. We direct attention to the fact that while a section of the press affects to condemn the

Budget on the ground that it contemplates unfair burdens on the owners of land, the critics studiously refrain from giving detailed facts in support of their allegations, and we venture to affirm that the most casual consideration of the facts involved will show that, as it now stands, while putting the smallest of taxes on land values, the Budget places the greatest share of the burden on the masses of the people who are already overtaxed, underpaid, and cut off from their rightful opportunity of access to the land of their country.

"We have already directed public attention to the fact, given by the Budget presented to the House of Representatives by the Hon. James Allen on the 6th August, 1914, that in five years the unimproved value of the appropriated land of this country had increased (in round figures) by £52,000,000. The significance of these figures can be better appreciated when it is borne in mind that the number of freeholders at that date was about 150,000. Of these, the number liable to the graduated land tax was 6,148—it is now 6,738—and the unimproved value of their land exceeds by nearly 30 per cent. that of all the remaining owners put together. This clearly means that during five years, six thousand odd payers of graduated tax had appropriated the enormous sum of £26,000,000; that is to say £50 every five minutes, a fund which they never earned, but which is due entirely to the growth and progress of the country. We maintain that that enormous monopoly constitutes a real menace to the welfare of the State, and that justice and expediency alike point to it as the fairest possible subject of taxation. Yet we now find that the land value tax is to be increased merely by the paltry sum of £68,000 per annum, or a little more than £10 per annum for each payer of the graduated tax, while the trade and industry of the people are to be saddled with £285,000 additional Customs taxation, including 4d. per gallon on such a common necessary as kerosene; increased railway charges, £360,000; increased postal and telegraph charges, £380,000, &c. Under no circumstances can such uncalled-for discrimination in favour of land monopoly and against the interests of the people be justified.

"In contrast to the complicated net-work of taxes forecasted in the Budget, we ask the public to consider how much more simple, equitable, and comprehensive are those principles of taxation for which this league stands. The unimproved value of the land of this country has now reached the enormous total of £230,000,000. A uniform tax of 2d. in the £ on that vast community-created fund would yield exactly the amount of extra revenue required, without adding one shilling to the cost of collection or of government, for the expense of valuation is always constant, no matter how great the tax, nor would such a tax extend State functions, hamper the industry of the people, compel the use of intricate, inquisitorial, and costly returns, or impose the necessity of a voluminous and almost incomprehensible mass of figures which even few members of Parliament pretend to understand."

EDINBURGH LEAGUE

33, Mayfield Gardens, Edinburgh.

The monthly meeting of the League was held on November 25th, when Mr. W. Cuthbertson delivered an address on the land question. Referring to various proposals which were being made for the benefit of ex-soldiers after the war, he showed the obstacles that land monopoly and taxation of industry would offer. He pointed to the failure of the Scottish Small Landholders Act to enable even men who were accustomed to work on the land to obtain a small holding. An excellent discussion followed in which Mr. D. C. Young, Mr. W. J. Young, Mr. MacDonald, Mr. Oliphant, and Mr. Lamont took part.

D. COBDEN YOUNG, Hon. Secretary.

UNITED STATES

Taxation in the District of Columbia

The Joint Congressional Committee on fiscal relations between the District of Columbia and the United States began hearings at Washington on October 20th. The committee consists of Senators Chilton of West Virginia, Saulsbury of Delaware, and Works of California, and Representatives Rainey of Illinois, Gard of Ohio and Cooper of Wisconsin. A brief was filed by the Tax Reform Association of the District, asking for (1) a progressively heavier tax on land values, and the gradual exemption of buildings and improvements from taxation until all revenue from real property is finally collected from land values; (2) a tax on local franchises and monopolies under private ownership; (3) a graduate inheritance tax.

Land Values in New York City

The New York Lower Rents Society issued a second report on September 28th on results of its investigation of land ownership in New York. The Society recently published official figures showing that thirteen families own one-fifteenth of Manhattan Island. It now finds that one-seventh of Manhattan is owned by 99 families, which also own one-tenth of the land values of the entire city. The total number of families in the city is 1,100,000. Other points in the report are:—

The assessed value of the buildings of these ninety-nine families (exclusive of their holdings in real estate corporations) is \$157,695,551—about one-third as much as land holdings.

This year, these families pay only \$11,646,895.67 taxes on the properties held in their own names—though the city government spends about \$20,000,000 for their financial benefit, over one-tenth of the city budget.

Were taxes now levied on buildings here transferred to land values, these ninety-nine families would pay \$14,224,240.56; that is, \$2,577,344.89, or 22 per cent., a fifth more than they pay under the present system of taxation.

The assessed value of the real estate (exclusive of real estate of corporations and special franchises) in the skyscraper district, south of Chambers street in Manhattan, is \$545,752,800. The buildings are assessed for only \$165,816,450, the land more than twice as much—\$379,936,300. Were buildings untaxed the land in this district (most of which is owned by a few people) would pay \$1,564,453 more than land and buildings pay now, even though a few of the buildings are worth much more than their sites.

Owners of "skyscrapers" are opposed to transferring taxes from buildings to land values—more office buildings would be constructed and the competition for tenants would reduce rents.

Fifth Avenue, from 50th Street to 91st Street, and three streets just east of Fifth Avenue, comprise the finest residential district in New York City. The assessed value of the sites of these mansions on Fifth Avenue and these streets is \$77,331,000. The assessed value of the improvements on mansions occupied by New York's wealthiest families is only \$21,996,600, total \$99,727,000. The present tax levy on these properties is \$1,864,874.90. With buildings untaxed they would pay \$2,370,837.20, an increase of \$505,962.30.

Our study indicates that less than two thousand families and a few corporations controlled by a very few people own the major part of the land value of the city, and a very large proportion of the acreage tracts. Their land is worth several times as much as their buildings, even in the built up part of Manhattan:

Tax Reform in Wisconsin

As in most other States, the laws of Wisconsin require that all property shall be assessed at its full valuation. Everyone knows that the law is a farce, says George F. Kelly in the PUBLIC, but it stands nevertheless. The larger part of the Northern part of the State consists of cutover timber lands. These lands are fertile, well adapted to farming and close to markets, but it requires a great expenditure of labour on the part of the settler to clear away the stumps and second growth timber and make them available for agricultural use. The larger portion of the territory, however, is still in the hands of the railroads, lumber barons, and land speculators, and every year the labour of the settlers is adding millions to the wealth of the big land owners in increased values added to the lands which, in the first place, cost them only a fraction of the value of the timber that was cut from them. For a number of years, the settlers, seeing the injustice of the situation, have approached the remedy by taking matters into their own hands and disregarding the law, by assessing the improvements made by the settlers at a nominal valuation, while assessing the lands held by the speculators at their full value. During the last session of the Legislature, a Bill, known as the Nordman Bill, was introduced by Ed. Nordman, representative from Langlade County, and an ardent Singletaxer, to make it possible for the settlers to carry out this plan as fully as possible without violating the law. The Bill provided for Home Rule in Taxation for all towns, cities or villages. It was well supported by the representatives from the Northern part of the State and made a good showing, but was defeated by the Tory element in the Southern counties. During the debates over the Bill in the Legislature the attention of the "opposing interests" was called to the way in which the Northern towns have been making their assessments and the Tax Commission has started in to compel the farmers to assess their improvements at their full value.

Tax Reform in Massachusetts

The Massachusetts Tax Commission gave a hearing on October 7th to a citizens' delegation which urged exemption of live stock and machinery from taxation. Charles H. Porter of Boston and Ralph S. Bauer of Lynn, both manufacturers, strongly urged the exemption. Mr. Bauer quoted figures showing that from 1909 to 1914 the amount of property moved from New York to Pennsylvania to take advantage of tax exemptions there amounted to \$275,650,000. Commissioner Creamer brought the tariff question into the argument. He claimed that the war would impose a heavy load of taxation on European manufacturers and held that exemption of machinery in this country would give American manufacturers a greater advantage than the tariff gives them.

Assessor S. H. Howes of Southboro, a farmer, told of the decline in the number of cows and said that they should be exempt from taxation. There is no money in farming and farmers have to work twice the hours of union labour. The city man has more property in land values than the country man. The 33 cities in the state, and Brookline, with 7 per cent. of land areas, have 82 per cent. of all the land values in the state. Mr. Howes enlarged upon the benefit to farmers of exempting their livestock from taxation, and thus increasing their prosperity. He favoured local option in the matter of land tax, so that the singletax might be tried.

Progressive Party and Taxation

The Progressive Party Convention of New Jersey on October 5th adopted a plank for land value taxation and for home rule. Similar planks were offered in the Republican Convention held on the same day, but were defeated.

The State Convention of the Progressive Party of Massachusetts on October 5th adopted among other platform planks the following:—

The equitable taxation of the unearned increment of land, with local option provision.

The New Hampshire singletaxers formed a State organization on September 25th, under the name of New Hampshire Singletax Club. The secretary is George H. Duncan, East Jaffray, member of the present State legislature.

Eighteen scholarships of an aggregate value of \$3,375 are offered as prizes to high school students of Cook County by the Chicago Singletax Club. Local contests for the best talks and theses on the Singletax will be held at each high school, and books and cash prizes will be awarded to the winners at these. The total number of prizes is 125. These local winners will then participate in intermediate contests before the club. The winners at these will compete for the scholarship prizes, which have been donated to the club for this purpose by various educational institutions.

The Committee on Taxation, appointed by Mayor Mitchel of New York, is holding a series of hearings. The hearings will be based on a report prepared by Professor Robert M. Haig of Columbia. This deals not very favourably with the proposition to reduce by one-half the tax rate on buildings in New York City.

The Single Tax Vote in Pueblo.

The people of Pueblo, Colorado, voted two years ago to put the Taxation of Land Values into operation by reducing the taxation on buildings by 25 per cent. each year. The matter came up for a revote in November, 1915, and the Single Tax was defeated by a majority of 300 in a total poll of over 6,000. Mr. George J. Knapp writing to the PUBLIC (Chicago, November):—

We were beaten principally because several days before election the names of several hundred voters known to be in favour of Single Tax were scratched off the registration books. When these people went to vote they were told that they were not registered. I know of dozens and dozens of such cases and I learn of more of them every day who were refused the right to vote, although they had voted at the city election two years ago.

The Editor of the SINGLE TAX REVIEW says:—

We shall likely hear a great deal as time goes by of the failure of the Single Tax in Pueblo. The Single Tax is a failure wherever they have not got it. It was a failure as tried in Pueblo, because its administration was in the hands of a hostile assessor and because the assessment was a swindle.

The assessed value of land was raised 62 per cent., but the assessed value of workingmen's homes was increased 60 to 90 per cent.; in many cases improvements were raised much more than lots by additions over that for 1912 of 130 to 135 per cent. Some of the better homes of the city were raised from 100 to 200 per cent. Outlying lots were raised only 10 per cent. It was a bold and audacious attempt to discredit the system, and in a degree has succeeded.

It is unfortunate that the opponents of the Single Tax have been able to secure this success, but the methods they have adopted will be of no permanent advantage to them.

MRS. FELS

The third annual conference of the New York State Single Tax League was held on November 6th. Most encouraging reports were given from all over the State, both from rural districts and towns. A banquet in the evening closed the convention which was very successful and well attended. Mr. Lustgarten presided at the banquet, and the speakers were William Lloyd Garrison, Mrs. Fels, and Francis Neilson, M.P.

Mrs. Fels spoke at the meeting of the Philadelphia Single Tax Society on December 2nd and gave an account of her recent tour in the South and West.

It is reported that Mrs. Fels is with Henry Ford's Peace Expedition.

SOUTH AMERICA

ARGENTINA

The Argentine League has commenced the publication of a weekly journal, entitled *EL IMPUESTO UNICO* (The Single Tax). The first issue, which has just reached us, is an excellent production, full of good articles and pertinent news items. It is a striking sign of the strength of the movement in South America that our Argentine colleagues feel confident in the success of this venture. The subscription for six months to places abroad is \$2 (gold), and we recommend any of our readers who understand Spanish to send a subscription to the office of the paper, Lavalle 1346, Buenos Aires.

Señor Martearena, the mayor of the town of Jujuy, capital of the province of that name, has brought before the municipal council a proposal for the suppression of a large number of taxes and licences falling on trade and industry, and for the raising of an equivalent revenue from a tax of 6 per 1,000 on land values apart from improvements. One of the most striking features of the scheme is that those who fail to pay their taxes in the time allowed shall incur a fine of 5 per cent. a month, or a maximum penalty of 30 per cent. a year. It is unlikely that there would be many defaulters under such a system. Señor Martearena's proposal has attracted considerable notice in the Press and it is anticipated that the municipal council will approve of it.

Among the theses presented by the candidates for the degree of doctor of the university of Buenos Aires was one on the single tax by Dr. A. Maspero Castro. Señor Castro has been made doctor of laws and the thesis has been placed in the highest rank of the theses of the year. Indeed, the work is so remarkable that an important publishing firm offered to buy the rights to it and issue a popular edition; but Dr. Castro, with great generosity, has offered his work to the Argentine League free of charge. This offer has been accepted and the League will shortly publish their edition.

URUGUAY

The new president of Uruguay, Dr. Viera, appears to be as sympathetic to the taxation as his predecessor, Don José Battle y Ordonez. In a speech made at Salto, his native town, Dr. Viera advised his fellow-townsmen to start an agitation for a land tax to supplement the local revenue, and pledged himself to work for the passage of the necessary legislation whenever they showed that there was a popular demand for it. He suggested also that such action would have a beneficial effect all over the Republic. This suggestion has already evoked a response, and the municipalities of Salto, Paysandu and Artigas have petitioned the government for permission to levy a land tax of 1 per 1,000. It is expected that other municipalities will take similar action.

Montevideo, the capital, has petitioned the Government for power to raise the revenue for lighting and public health services, which amounts to one-fourth of the revenue, by a tax on land values.

SPAIN

The second annual report of the Spanish League, published in *EL IMPUESTO UNICO* for December, contains a good record of progress. Much has been done in the way of distributing leaflets and pamphlets, organising meetings, and establishing depots for the sale of literature, but the war has had an ill effect on propaganda and created an atmosphere favourable to reaction. During the year three new branches of the League have been established, two in Malaga and one in Castro del Rio. Other branches are in course of formation in Valencia, Zaragoza, Santander, and San Sebastian.

The list of corporations subscribing to the petition in favour of the suppression of all local taxes and the imposition of a tax on land values has been added to by the adherence of La Rambla and Montilla in the province of Córdoba.

The necessity of reform in the system of taxation is being admitted in political circles. Instances of this are recent declarations by the leader of the Liberal Party, Count de Romanones, and of the leader of the Reformist Party, D. Melquiades Alvarez, and also the statement of the Minister of Education, Señor Burgos.

In view of the approaching revision of the tariff the Spanish League are arranging for the publication and circulation of a popular edition of Henry George's *PROTECTION OR FREE TRADE*.

CANADA

MANITOBA

The movement in Manitoba has been strengthened by the provincial election, which resulted in the return of the progressives by an overwhelming majority. Mr. F. J. Dixon and a number of other Single Taxers were elected. Mr. Dixon secured a majority of 4,112 votes, one of the largest ever given for a Manitoba constituency.

The *VOICE*, Winnipeg, says: "F. J. Dixon, speaking in the Legislature, made a frank, fearless, and forcible declaration of his principles. There was a freshness and earnestness in his utterances which caught the ear of the House, which is not at all used to catching the note of a sincerity when the rights of the people, especially the working people, are being dealt with."

During October Mr. Dixon had a campaign of meetings in Ontario and Quebec. Later on he is to speak in Chicago and other parts of the United States.

Farmers and Taxation

A resolution of great importance, at this time, dealing with the raising of the additional revenues made necessary by the war, was discussed and adopted at the Brandon Farmers' Convention. The resolution was introduced by J. W. Scallion, the Honorary President of the association.

After referring to the great decrease in imports of dutiable goods, and the effect of the tariff in increasing the prices of home-produced articles, the resolution continues:—

Therefore, be it resolved, that this Convention of Manitoba Grain Growers strongly urge the Dominion Government to frame a fiscal system of taxation that will bear justly on all classes, affording special privileges to none, that is, a direct taxation of all land values, both rural and urban, including all natural resources of the nation, forest, mineral, water powers, and fisheries, so far as these resources are owned and operated by private or corporate interests, with a surtax on all or part of such land or other natural resources held out of use by private interests for speculative purposes;

And further, that this Convention would strongly recommend the Dominion Government at the coming session of Parliament to enact such legislation as will bring about at once entire free trade with Great Britain, believing that such a measure would show true patriotism on the part of Canada and would greatly assist Britain in this day of trial. This Convention hopes that no selfish interests will try to prevent such a patriotic measure.

No amendment was offered to the resolution, says the *GRAIN GROWERS' GUIDE*, and no one spoke in opposition, and it was accordingly put as originally moved and carried by a standing vote. One delegate, however, made the claim that it had not carried unanimously, and when the 'nays' were called for he pluckily stood alone against the resolution.

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FEBRUARY, 1916.

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NOTES OF THE MONTH

The Land Values Group and War Finance.

The attention of our readers is directed to the masterly statement, published in this issue, which has been put before the Prime Minister and the Chancellor of the Exchequer by the Land Values Group in Parliament. It frankly points out how the progressive position has been prejudiced by the inaction of the Government and by the preference given to reactionary schemes of finance ; it shows the enormous revenue that might be obtained from a tax on land values and the importance of this when the demands on the Treasury are so great ; and it emphasises the necessity of imposing a tax on land values in order to secure the better development of the natural resources of the country so as to enable the people to withstand the economic strain imposed by the war and to obviate the danger of industrial depression and unemployment after the war.

The Land Values Group are to be congratulated on this memorandum, and we hope that they will take every opportunity of following it up and of impressing on the Government the need for dealing with this question. The longer a settlement of it is delayed the more difficult and urgent will it become. The condition of this country after the war must be a matter for genuine anxiety in view of the great expense and derangement of trade that the war will entail. Our friends in the House of Commons and outside of it should lose no opportunity of directing public attention to the question of land and taxation reform.

The Present State of the Land Valuation.

We print elsewhere a synopsis of statements made by a deputation of Land Valuation Officials to Members of Parliament on November 18th. This memorandum shows that of the 4,760 men composing the staff of the

Land Valuation Department at the commencement of the war, some 2,600 have been dismissed, and 1,000 have enlisted in the army. The result of this is that the remainder are quite unable to cope with the work and the 1909-10 Budget has become practically a dead letter as far as concerns valuation and collection of the Land Value Duties. The revenue from estate duties will also be seriously affected, and the advantage of using valuations made by the Department as a check on valuations for other purposes will be lost.

This is a serious state of affairs not only on account of the loss of present revenue but still more on account of the obstacles that the defective condition of the valuation will put in the way of imposing a national land-value tax to pay for the war, and because a valuation is the first essential to any scheme of land reform. The action taken by the Chancellor of the Exchequer in regard to the valuation has largely deprived of their value the pledges of Liberal leaders to deal with the land question. Apart altogether from the taxation of land values there is no scheme for dealing with the land question which does not postulate an accurate valuation as its basis, and progressives of all shades of opinion ought to unite in demanding that the Valuation Department be put on a more satisfactory basis.

We admit to the full the need of all reasonable economies during the war, but these economies should not be carried to the extent of imperilling the revenue necessary to pay for it or of diminishing the possibility of carrying out a reform of the land system which will enable the men who have fought for it to get a footing in their native land.

Protection in War Time.

The Cobden Club has published a very useful leaflet under this title, detailing the various measures taken

by the belligerent countries to reduce their tariffs during the war. Within a few days of the declaration of war the French Government had suspended the duty on wheat, spelt, and meslin, bread and flour made from these grains, barley, pulses, salted meat, potatoes and maize. On September 10th, 1914, the duties on cattle of all kinds were suspended. The German Government quickly followed suit and made equally extensive suspensions of the customs duties; and on March 8th, 1915, even the duty on sugar was removed. In Austria-Hungary the duties on cereals and pulses of all kinds were suspended in October, 1914. Italy, however, is the most striking example, for the Government first reduced and soon entirely suspended the duties on cereals before Italy had even become engaged in the war.

All this is extremely damaging for the protectionists, whose most attractive argument, next to the offer of providing work for all, was the assertion that a tariff would so encourage the growing of food-stuffs that we might be practically independent of the rest of the world in case of war. That argument at least will not carry much weight in future. But it should be opposed not with a bare negative assertion that nothing can be done, but with the counter argument that much can be done to increase the production of food in this country, if the barriers of land monopoly are broken down and the people are given a fair chance to develop the land.

“Advance, Australia!”

We have to record this month a striking triumph won by our friends in New South Wales in the election to the Municipal Council of the City of Sydney of a majority pledged to the taxation of land values. At present the City of Sydney is obliged by Statute to levy a rate of 1d. in the £ on land values, which yields about twenty per cent. of the rates, and the City Council has power to put all the rates on the land-value basis. The suburban municipalities, which together with the City of Sydney make up the Metropolitan area, raise over 99 per cent. of their rates from land values. The population of the whole Metropolitan area is some 700,000; and the adoption of the rating of land values by the City which is now practically certain will mean that Sydney will be the most notable example in the world of the application of the single tax principle in local taxation.

We may add that the rating of land values has been widely and almost completely adopted throughout the State. The country municipalities raise 87.9 per cent. of their rates from land values, and the shires raise as much as 99.9 per cent. of their rates from land values. Thus as far as local government is concerned New South Wales is almost a single tax State.

We heartily congratulate Mr. A. G. Huie and his fellow workers on their latest success. They have worked long and faithfully for it, and now they see almost the completion of their labours as far as regards local rating. This success will encourage our fellow workers in this country and all over the world to redouble their efforts.

Rating of Smallholdings in Scotland.

In a review of Agricultural Litigation in 1915, *The Scotsman* (January 14th) gives the following summary of two interesting cases under the Lands Valuation Acts:—

Where a new holder under the Small Landholders Act uses his holding as a market garden, and erects

thereon a house, shop, and glass house for tomato-growing, he is not entitled to exemption from taxation in respect of the annual value of these erections, the exemption conferred by the Land Valuation (Scotland) Amendment Act, 1895, being confined to erections for agricultural purposes. The Court held that the house, shop, and glass house did not fall within the statutory definition of “agricultural purposes.” In the result the small holder was put down in the Valuation Roll both as owner and as occupier of the erections with an annual rent of £15 (*Blain v. Ayrshire Assessor*).

Where small holders had made structural additions to the dwelling-houses on their holdings, and where these additions were made with a view to letting the houses to summer visitors, the Court held that the Assessor was justified in putting down the small holders both as proprietors and occupiers of the additions at rents over and above those paid to the landlord (*Sym v. Bute Assessor*).

The widest possible publicity should be given to these decisions for they indicate clearly the unsatisfactory and unjust state of the present law of rating. If improvements of one kind are to be exempted from rating, improvements of all kinds should be exempted. The man who uses his small holding as a market garden or makes improvements to his house in order to fit it for letting to summer visitors is doing just as useful a service as the man who uses his land for agricultural purposes strictly so-called. And further, the exemption of improvements from rating should not be confined to small holders under the Small Landholders Acts, but should be extended to all persons who make use of land either for farming or for industrial purposes.

The greatest injustice of all, however, is not that improvements are not exempted in all cases, but that the man who holds land out of use is allowed to escape rating on the full value of his land. He is thus encouraged to deny others the opportunity of making a living from the land. Here we have the greatest weakness of the Small Landholders (Scotland) Act, which only makes land value the basis of rating when land has actually been acquired for smallholdings, while land from which prospective smallholdings may be carved out is rated on the old basis. No pressure is applied to the landlords to induce them to let their land for smallholdings as would be the case if land value were the uniform and only basis of rating. As land-value rating is the only practicable alternative to the present system the natural corollary to a demand for the exemption of improvements generally is the rating of land values generally. Unfortunately the result of the present partial application of the land value system is that those properties which are rated on the old system bear a greater share of the rates, and improvements made on them are subject to a greater burden than if all remained under the old system. In self-defence the farmers, shop-keepers and others should agitate for the exemption of all improvements and the rating of all land values.

“Cheap, Simple and Expeditious.”

In these words the Prime Minister, speaking at Earlston on 3rd October, 1908, described the machinery of the Small Landholders (Scotland) Act, 1911, both as it applied to the fixing of rents of existing holdings and to the provision of land for new holdings. He also said:

It would be grievous indeed if, when this Parliament came to an end, we should have to go back to the people of Scotland with empty hands. But a so-called settlement which is partial, which is mutilated, which contains within itself the germs of future agitation and discontent,

is no settlement at all. If we are to deal with this matter let us deal with it comprehensively and on sound principles. That, at any rate, is the intention of His Majesty's Government; and we invite you, the Liberals of the Border, here to give us your undivided support—while we persevere in our attempts to place on the Statute Book a new charter, which will give room and occupation for men who are bred on the soil to live on it and live by it—and which we hope and believe will in course of time revive under modern conditions, and on a sound economic and social basis, the best traditions and memories of your Scottish rural life.

Grand ideals and great hopes, but how otherwise the new charter has helped reform is abundantly clear from the reports of the Land Court, and from the experience of applicants all over the country who in large numbers have been bitterly disappointed. The universal opinion as to the machinery of the Act is that it has been costly, intricate, and dilatory, and no better confirmation could be got than the notorious case of the Lindean Farm in Selkirkshire. That was one of the first schemes initiated after the Act came into force in April, 1912, and the matter was not finally disposed of until last month after a long period of friction and much litigation. The case before the courts concerned the inclusion in the arbiters' award to the landowner of £3,850 in respect of the depreciation of the capital and saleable value of the estate due to the constitution of the small holdings. The Board had taken the view that it was beyond the competency of the arbiter to include the £3,850 in his award; the Lord Ordinary (Lord Hunter) upheld this contention; the Second Division of the Court of Session found the arbiter had not acted *ultra vires*; and on appeal the House of Lords, on 18th January, 1916, has confirmed the Court of Session's decision.

Making the Act a Dead Letter.

We pointed out in our issue of June, 1914, that if the £3,850 of compensation was found valid, the total payment to the land-owner for disturbance would be £8,488 4s. 3d., in addition to which he would receive in future an annual "fair rent" from the smallholders of £343 1s. No estimate can be made of the costs incurred in all the preliminary negotiations with the land-owner and before the Land Court when compulsory orders were applied for and obtained; but when all the items are added up the country has certainly spent a huge sum upon the "cheap, simple and expeditious" methods of land reform which in Lindean have done nothing more than place fourteen smallholders on a farm previously worked by a tenant, six men, two women, a boy and casual labour. With such measure of compensation as a precedent for future cases, the Act becomes a dead letter, since every landowner is likely to demand similar compensation and the Board dare not contemplate such extravagance.

We reviewed the annual report of the Land Court for 1914 in LAND VALUES of August, 1915, and the Lindean case as now revealed adds an informing and illuminating chapter to the record of failure we had to chronicle; it is of little comfort to recollect that this legislation was welcomed and heralded by Scottish Liberalism as a sure and swift step toward the restoration of the land to the people.

"The Bill is a good Bill," declared the late Lord Advocate in Parliament and on a hundred Scottish platforms—and here it is, at the end of four short years, reduced to impotence. The principle of the Bill, as we often contended, was an attempt to bring the

potential small cultivator to the landlord. The taxation of land values would have brought the landlords to the small cultivators; but of course that is the "magician's wand," and the practical politicians of the Liberal Party are out for something that looks like a business proposition—for the landlord.

The Cost of Living.

The course of prices during the war is strikingly shown in the index numbers published by The ECONOMIST on January 8th. Taking the average for the years 1901-5 as 100 the index number at the end of July, 1914, was 116.6. Since that date it has risen steadily and attained a maximum of 165.1 at the end of December, 1915. This is an increase of more than 40 per cent. as compared to July, 1914. It is to be remembered that The ECONOMIST index number is based on wholesale figures only, but there is no reason to doubt that the course of retail prices has been similar.

This increase in prices means a very serious burden on all the less well-to-do classes of the population, for in very few cases has there been an increase in wages anything like sufficient to counter-balance it. If the increase in the cost of living were to last only for the period of the war the outlook would not be so gloomy, but the probability is that it will last much longer. Some of the factors causing the increase in prices, such for instance as the shortage of shipping, may be expected to come to an end quickly, when the war is over, but others will not, and among these is taxation. It is perfectly certain that among the causes of the increase in prices is the war taxation that has been imposed. We refer not only to taxation on tea, sugar and other commodities, but also to the Income Tax and other so-called direct taxes. The fact that the increase in the Income Tax has been one of the reasons for increasing house rents is notorious, but the increased taxation has been operating in other less obvious fashions to increase prices.

Conscription and Land.

According to the CO-OPERATIVE NEWS of December 25th, the Abbey Wood Branch of the Woolwich Women's Co-operative Guild has passed the following resolution:

That this meeting asks Lord Derby to be a little more patriotic himself, and set the example to his brother land-owners, by giving a part of his lands to the heroes who are willing to sacrifice their lives to fight for it, for them to have and to hold from now onwards as their own inviolable right.

This resolution contains a very sound suggestion, perhaps even more pertinent now than at the date at which the resolution was passed. If some men are to be compelled to sacrifice their lives, it is only fitting that others should be compelled to sacrifice their property instead of having it borrowed at a high rate of interest. Particularly is this the case in regard to that form of property which rightly belongs to the community, the land value which should never have become a source of private income. Mr. Lloyd George, when Chancellor of the Exchequer, said that men, money and munitions were what was needed to prosecute the war to a successful issue and most important of all was money; but though the Government has shown itself quite ready to compel the sacrifice of human life, it has been very reluctant to compel the sacrifice of property. Yet all that a man has will be give for his life.

The Cause of Dear Land.

Speaking at a conference held under the auspices of the Glasgow Labour Party Housing Committee on January 3rd, Dr. A. K. Chalmers, medical officer of health for Glasgow, said that

the building of houses one on top of another was the cause of dear land—the soonest way to cut down the price of land was to cut down the height of houses.

We have the profoundest respect for Dr. Chalmers' ability in his own sphere, and he has again and again done good service in directing attention to the dimensions of the housing problem in Glasgow, but we cannot regard him as a reliable guide on economic questions. Surely "building houses one on top of another" is a means of economising in the use of land, and is the result rather than the cause of dear land. If it has any effect on the price of land, it should be in the direction of cheapening land and not making it dearer.

The error that Dr. Chalmers and others who advocate limiting the height of buildings or their number per acre fall into arises from ignoring the fundamental factor determining the price of land—and that is the available supply. The price of land depends on the supply, and in Glasgow as elsewhere the available supply is diminished owing to so much land being held out of use. We know the figures, for they are in the House of Commons White Paper 144 of 1914. The area of Glasgow in 1911-12 was 12,975 acres, and of this 2,170 acres were rated as agricultural land and paid £347 in rates out of a total rate burden of £1,730,086. In other words, about one-sixth of the area—and there is reason for considering this rather an under-estimate—is held out of use and on that account pays an insignificant sum in rates.

If that land were rated on its true value, it would soon come into the market and the price of all land would fall correspondingly. Until it is forced into use, there can be no hope of getting land cheaper. Limiting the height of houses will never reduce the cost of housing accommodation; it is much more likely to increase it, for more land will then be necessary in order to supply the same amount of accommodation and the power of the land monopolist will be increased.

The Single-apartment House.

Another suggestion thrown out by Dr. Chalmers at this conference was that they should consider whether the single-apartment house should not be abolished. It certainly, should be abolished for everyone knows how detrimental to health and morals it is. But people must live somewhere, and it is hopeless to talk of abolishing the single-apartment house unless wages are increased and the cost of larger houses reduced sufficiently to enable the poorest classes of the population to afford a house of two or more rooms.

The housing problem cannot be treated in isolation. It is simply part of the poverty problem, or to our mind part of the land problem. For that reason although we lay emphasis on the effect of rating and taxing land values in cheapening houses by reducing the price of land and relieving them of the burden of rates, we attach still more importance to the general effect of our reform in opening up the sources of wealth production and enabling the workers to obtain higher wages.

IMPORTS AND ECONOMY

Under this head, Mr. H. Morgan-Browne contributes an instructive article to the WESTMINSTER GAZETTE of January 13th. He points that conclusions formed concerning the volume of import trade are untrustworthy if they are arrived at by figuring only with the values of goods imported. Since the war broke out there has been a great increase in prices, and that factor has so influenced trade statistics as to make it appear that the country has been importing, and people have been buying, more than ever despite the need for economy so constantly urged by Cabinet Ministers and others. From that phenomenon has arisen alarm; the large purchases of imported goods are said to have depreciated the gold exchange, and all kinds of expedients have been adopted (including taxes on imports) to check trade alleged to be so harmful. Mr. Morgan-Browne disproves the assumption that the people are not saving, by comparing the quantity of goods imported in 1913 with the quantity imported in 1915. Food and drink have declined from 357 million cwt. to 320 million cwt.; raw materials from 586 million cwt. to 491 million cwt.; and one group of manufactures (metals, chemicals, hardware, &c.) from 123·5 million cwt. to 82 million cwt. The quantity of remaining manufactures (wearing apparel, motor-cars, leather goods, and "luxuries" generally) is not stated, but their value has declined from 98·6 million pounds to 77·2 million pounds, and it is a safe inference that their quantity has declined by a still greater ratio.

It is true that, taking imports of all kinds, the total value has increased by 85 million pounds; but in the light of the above analysis, the cause manifestly is not increased consumption, nor even avoidable extravagance, but higher prices. And if large expenditures on imports are a danger or really have the result of disturbing the American exchange, it was the business of our advisers inside and outside Parliament to concentrate attention through their multifarious committees on finding a remedy for the prime cause, instead of harassing the nation with advice more fatherly than practical.

THE RELATIVE INCREASE IN IMPORTS

An aspect of foreign trade that is often overlooked by our modern alarmists is that there is a normal excess of imports over exports, due to the fact that some residents in the United Kingdom own much property abroad and many ships on sea. Those who use or hire such property have to pay rent or interest for the use, and payment is made by them in the first instance by means of bills of exchange, bank drafts, cheques, money orders or in actual cash; but the income ultimately reaches the owners of the property in the form of *goods* of all kinds. Such goods do not represent trade or exchange, but are simply the tribute or income received by particular individuals in this country who are fortunate enough to possess land or capital abroad; and they differ in no respect from the goods that reach certain London inhabitants every day in virtue of their ownership of British coal mines and British estates.

The people who feel troubled about the present state of foreign trade perplex themselves and others still further by the thought that the excess of imports is at present relatively much greater than the normal, and forget several important conditions which recently

have had much influence on the situation: (1) the *relative increase* in imports is due to the fall in exports and to the corresponding decline in those imports that are exchanged for exports; for, if exports ceased entirely, the imports that reached the United Kingdom by way of income from investments or of payment for investments sold would still continue, and the ratio of imports to exports would be as 100 to nothing; (2) that in the present crisis many owners of foreign investments have actually been selling their property, receiving payment in the only way payment can be received—by imports into this country; and (3) that little capital is being exported for investment in foreign enterprise.

FOREIGN AND HOME INVESTMENTS

The natural result is an apparent deluge of imports, greater in proportion to exports than they have ever been; and much shallow talk (among those who certainly ought to know better) is indulged in concerning "our" trade, and "our" carelessness in adding to "our" indebtedness abroad. No one, not even the least learned of the accepted financial experts who are making themselves ridiculous with the use of such phrases, would attempt to speak in this sense about "our" ground rents or "our" feu duties as if they belonged to the whole people, or as if the movement of goods from one part of the country to another (which alone makes the payment of rent possible) had any connection whatever with the financial difficulties any particular local town council might have to face. The absurdity would be too obvious.

Confusion arises because of the fatal belief that geographical boundaries determine the working of economic laws, and the result has been to make a special problem of private investments in foreign territories or on sea; to relate the course of external trade to some alleged monetary dangers; and to build on these false foundations not only utterly reactionary ideas concerning Free Trade but also a policy of taxing the purchasers of imported goods. On the same basis of argument we should proceed to surround every large city with octroi barriers, no matter how ineffective everyone would recognise them to be as a means of stopping imports or of preventing property owners from drawing rent and interest on the investments they held outside the area in which they happened to dwell. The octroi duties, like the new import duties, would penalise the people with higher prices (without harming the investors) and would certainly teach the need for "saving"; but how could such a scheme enrich the nation or place increased resources at the disposal of the Government?

THE "STATIST" ON WAR FINANCE

Two typical examples of the misleading language so much in vogue at present in financial circles may be quoted from no less an authority than the *STATIST*, with which the eminent statistician, Sir George Paish, is associated. The issue of January 1st has an article on "Capital Raised in 1915," in the course of which it is stated—

The advance in prices and the rise in freights have taxed the whole people, including those that have received no advance in wages, as well as those that have, and has given greater profits to shipowners, farmers, colliery proprietors, and others, and in this way has

provided the country with a much larger amount of money for capital purposes than it possessed prior to the war.

Observe the excellent play on the words "taxed" and "the country." The idea of a "tax" rightly understood always means a payment made by the individual to the Government to be used for public purposes, and never a payment by one individual to other individuals. In the circumstances referred to above, the phrase should be that higher prices have obliged people to pay more; or, better, that higher prices *have exploited* the whole people in the interests of a few. But the error committed in disguising the exploitation is not so grave as the extraordinary statement that the profits of shipowners, &c., have provided *the country* with money, and indeed with more money than it previously possessed. It may be thought astonishing that such nonsense should find its way into the columns of a sober journal like the *STATIST*; but it does not surprise us, as it is exactly on a par with the theory repeatedly propounded in equally representative statistical prints that an increase in the rent of land enriches the nation, or that the selling value of monopoly privileges held by some must be added to the value of all labour products before a calculation can be made of the total wealth of the community. Surely the increased profits of shipowners, &c., so great as to "tax" the people, and rent paid to landowners, provides *the shipowners and the landowners* with money; the people who pay, or are forced by circumstances to pay, are so much the poorer.

A STRANGE EXCUSE FOR PRIDE

The *STATIST* goes on to say:—

Certainly the British people can look back to their ability to provide over £1,300,000,000 of money for war and other capital purposes in 1915 with justifiable pride.

Here the play is upon the words "the British people" and "provide." With the exception of a small proportion secured by taxes, there has been no "provision" of this vast sum, and the part played by the British people in the transaction is, instead of being a matter for pride, a reason for much anxiety. The money has been *lent* to the people, in the main by a handful of wealthy financiers, and the problem of paying it back is likely to expel any thought of boastfulness in the constituencies. The *STATIST* would have us believe, in its blind enthusiasm for big figures, that the British people has made a miraculous and a free gift to itself of many millions of pounds. Such, unfortunately, is not the case.

A. W. M.

To pay war expenses, the latest British budget demands new sacrifices from every class except the landowners. New taxes are to be laid on the wealth producers. There is to be an increase in the direct tax on their incomes and in indirect taxes on what they consume. But there is to be no increase in taxation on the privilege of charging Britons for permission to live and work in Great Britain. The fighting and payment of expenses are to be left principally to those who are legally but "trespassers on the land of their birth." Then should their sufferings and sacrifices bring any benefit to the country, their reward will be the privilege of paying higher rent to the landowners whom the government treats so tenderly.—(THE AMERICAN ECONOMIC LEAGUE.)

LAND VALUES

Twenty-second Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.
(United States and Canada, 50 cents.)

Editorial Offices:

The United Committee for the Taxation
of Land Values,
11, Tothill Street, London, S.W.

Telegrams: "Eulav, Vic, London."

Telephone: Victoria 7323.

All communications to be addressed to the Editor.

"OUR POLICY"

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

THE NEW PROTECTION

The most notable and serious event of the month is the growth of the idea that when the war is finished in a military sense the allied powers should commence another war by throwing up tariff barriers against German and Austrian trade. The debate in the House of Commons on January 16th has helped to crystallise the ill-defined proposals for this which have long been growing; and the position of the Protectionists has been strengthened by a measure of approval from Mr. Runciman and from others who have hitherto been Free Traders. It is not too much to say that the Tariff Reformers have won the first moves in the game for destroying the commercial freedom which our people have enjoyed for several generations.

This new movement is simply the old Protectionism taking advantage of the circumstances of the day. It hopes to rivet round the neck of the people chains which it could not bind them with in peace time. The old appeal to encourage British trade by excluding foreign competition is there and is winning the support of all the interests which desire the privilege of exploiting the poor by means of artificially high prices, but it is wrapped round with a cunning appeal to patriotism. The argument appears to be twofold—that we must punish the Central Powers for their misdeeds during the war and that we must prevent them from recovering their old share of economic prosperity by putting up a high, and indeed almost exclusive, tariff against them. Let us examine these contentions.

Let us grant that our opponents should be punished most severely, let us grant that this punishment should be inflicted by one of the parties to the contest, though this destroys all analogy to punishment in the ordinary sense, yet there still remains a great difficulty. When a

criminal is punished by the ordinary process of municipal law, his punishment is to the advantage (or is supposed to be to the advantage) of the rest of society and of himself, and it entails no suffering or an infinitesimal amount of suffering on the remainder of his fellow-citizens. But if the Central Powers are to be punished by the erection against them of a tariff wall, that will entail as much suffering for us as for them. The punishment will not be inflicted upon the guilty but upon the innocent as well.

And further, if we are to set up a tariff against neutrals for the benefit of our allies and a lower one against our allies for the benefit of the colonies—and both these proposals are being made—we shall suffer a still greater loss with no advantage to ourselves or to our friends. A small minority, however, whose interests are diametrically opposed to those of the rest of the nation will probably be the gainers.

It may be said that granting we suffer in the process, it will still be worth while for we shall bring Germany and Austria to their senses. But who are Germany and Austria? Is it the mass of the people? Are they all corrupted? Or is it the ruling classes of these nations? If it is the latter, then we shall do them little injury and perhaps we shall actually increase the rents which the Junkers are able to extort out of their fellow-citizens while we oppress the mass of the people who may be won over to peaceable ideas. One can hardly pose as a lover of peace while holding a tariff blunderbuss to the head of a nation.

Has there ever been a tariff war which has not impoverished both parties and embittered the relations between them without causing any reduction of armaments? Not one. This leads us to the second contention that Austria and Germany must be prevented from recovering their former economic position—in fact, that they must be so strangled as to be powerless to disturb the peace of the world.

To argue in this fashion implies in the first place that the peace will be what is called an inconclusive peace, the one event above all others that the protagonists of these ideas inveigh against. If it is a conclusive peace, if it contains in itself the germs of a lasting peace, then there is no object in attempting to impoverish the Central Powers, even if that could be done without impoverishing ourselves. If the peace is inconclusive, then to attempt to strangle our opponents is the one thing which will make war break out all the sooner. It is the one thing that will unite all the discordant elements in Germany and Austria, that will line up the Socialist and the Liberal beside the Junker and put back for a generation all hope for the penetration of peaceful ideas.

But it is impossible by means of a tariff to destroy the trade of the opposing powers. Their trade may be turned away from ourselves into other channels, to our loss as much as or more than to theirs. Even if they were shut out from all foreign trade, they would to some extent be impoverished but they would be compelled to develop better their own natural resources. They would perforce become more self-supporting and to that extent more dangerous opponents in the event of some future war. No, if more wars must inevitably come what must be done to strengthen our own position is to develop better the resources of our own country, and we can do that without arousing any antagonisms which will make the occurrence of war more probable; but we cannot do it by returning to protection. All that a tariff can do is to impoverish our own people and smother the initiative that comes from outside competition.

There is yet another argument that may be put forward in favour of a tariff, the need for revenue. The urgency of finding fresh sources of taxation is indeed great, but a tariff is the most unjust and wasteful that can be devised. It will put an enormous burden upon the poor, it will hinder trade and dry up the other sources from which we now get revenue. It will impoverish the people to a much greater extent than it enriches the Exchequer, and it will create privileged interests that will batten upon the people and oppose every step in the direction of reform.

If fresh sources of revenue are to be found, we can point to one at least that, in addition to our ordinary sources of revenue, and perhaps in substitution of the more oppressive of them, will provide an ample revenue. We have not commenced to tap the land value of this country, and yet it could easily yield millions to the Exchequer without burdening the poor or restricting trade. From the statistics of Local Taxation we know that there are millions of acres in urban districts, highly valuable land urgently needed for housing or industrial purposes, which contribute hardly anything to the local rates and as little to the Imperial Exchequer. That land and much more like it which is unused or inadequately used could make an enormous contribution towards taxation, a levy which no one can call unjust since it simply takes for the community what the community has created.

As the Land Values Group point out in the Memorial that they have recently presented to the Prime Minister and the Chancellor of the Exchequer, this is the only financial proposal which, in addition to being just and expedient as a means of taxation, does anything to enable the country to recover from the effects of the

war. It will not increase the cost of living as a tariff would but will have the effect of reducing it by forcing into use all the idle lands of this country. It will increase the production of wealth and enable the nation to pay for the war without detriment to the standard of living of the masses, nay with a positive improvement in it.

There is no reason why the Chancellor of the Exchequer should not incorporate the taxation of land values in his next Budget, if he and his colleagues have the will to do it. It may be said that there are practical difficulties, but there are no administrative difficulties comparable to the difficulties of organisation that have time and again had to be overcome during the prosecution of the war. No difficulties exist except such as may be created by the Government itself and by sectional interests among its supporters in the House of Commons. As far as the country is concerned, there need be no question. The support accorded to the Budget of 1909 is sufficient to prove that there is a great body of opinion ready to welcome a substantial tax on land values; and as the need for this reform is now greater than ever so will the support for it be increased.

Whatever trammels a coalition Government may feel itself bound by, the progressive parties must not let the fruits of years of agitation and progress be snatched away in these moments of crisis. The party of reaction must not be allowed to triumph and shackle the people with the chains of protection and privilege by means of a specious appeal to patriotism. We must not win the war on the Continent, merely to be enslaved at home.

F. C. R. D.

MAN'S RIGHT TO WORK

Out on the roads they have gathered, a hundred thousand men,
To ask for a hold on life as sure as the wolf's hold in his den.
Their need lies close to the quick of life as the earth lies close to the stone;
It is as meat to the slender rib, as marrow to the bone.
They ask but the leave to labour, to toil in the endless night,
For a little salt to savour their bread, for houses water-tight.
They ask but the right to labour and to live by the strength of their hands—
They who have bodies like knotted oaks, and patience like sea-sands.
And the right of a man to labour and his right to labour in joy—
Not all your laws can strangle that right, nor the gates of Hell destroy.
For it came with the making of man and was kneaded into his bones,
And it will stand at the last of things on the dust of crumbled thrones.

EDWIN MARKHAM.

THE TAXATION OF LAND VALUES AND THE PRESENT EMERGENCY

Statement Presented to the Prime Minister and the Chancellor of the Exchequer by the Land Values Group in Parliament

The Finance Act which became law in December, 1915, and the prospect of another War Budget gives rise to the following considerations.

Notwithstanding the "truce," under which it was said matters of party controversy were to be neither advanced nor set back, protective taxes have been imposed in violation of the convictions of the party which won the last General Election. The breakfast-table duties, which it had been the policy of the same party to abolish or reduce, have been enormously increased. Income tax has been extended to weekly wages and further taxation of wages has been advocated.

The taxation of land values, however, has received very different treatment. An attempt was made by certain Members of Parliament to scrap the Valuation Department and answers to questions in the House gave no assurance that the machinery necessary for effective land value taxation would not be thrown out of gear.

The question ought not to be put aside because of the "truce." It has never been a strictly party question. For the purpose of local revenue, the taxation of land values has been supported by an influential body of conservative and non-party opinion. It has been successfully established in our self-governing Dominions. Moreover, in view of the protective taxes and taxes on wages, it cannot be ruled out on the grounds of the party "truce." But quite apart from those considerations, it cannot be ruled out now. Expenditure is mounting up and up, and permanent taxation will certainly have to be more than double what it was before the war. It is self-evident to every patriotic person that all sources of wealth must be tapped which can be drawn on without unfairness and without injuring the economic condition of the country. If there is such a source in land value, the Government should not disregard it.

What are called the Land Value Duties of the Finance Act, 1909-10, have failed to bring in as much revenue as their authors hoped, owing to the fact that they apply only to certain limited categories of land, and that they were whittled away by abatements and exemptions.* The advocates of the taxation of land

* "Increment Value Duty is only charged upon sites which have increased in value at the time when they change hands. Even then no duty is chargeable if the increase is less than 10 per cent.; and in any case the charge is not measured by the site value as a whole, but by the increment value, less 10 per cent. of the original site value. It is thus very far from being a general duty on site value. . . . Undeveloped Land Duty is limited to one particular class of land, *i.e.*, land which is ripening for building, and this class has been largely cut down by the provisions contained in the Act for exemptions and abatements. For instance, if within 20 years the owner has spent a sum equal to £100 per acre on the provision of roads and sewers, the whole of his land included in a scheme of development is exempt from duty, and in this way the greater part of the most valuable undeveloped land has become exempt. Moreover, if undeveloped land is used *bona fide* for any

values have never accepted these Duties as a substitute for a simple annual tax on land values properly defined, or expected them to be equivalent to such a tax as a revenue-producing instrument. That this should now be admitted is no reason why the machinery of valuation, and the materials which have been collected at great expense and in compliance with an overwhelming demand by the constituencies, should be thrown on the scrap-heap instead of being put to the fruitful use for which they were designed and which they are now able to fulfil.

Land Valuation was the essence of the great Budget of 1909, as Mr. Lloyd George has often declared. When in 1909 he took a full review of the situation in his search for the sources of a great and growing revenue for purposes of social reform, land value was the chief spring which he decided to tap. Now that the need for fresh revenue is greater than ever, and the preliminary work of valuing has been done, it is inconceivable that the Government should abandon that source and allow it still to run to waste.

That there is an untapped source of revenue in land values is clear. It is sometimes said that land values already pay Property Tax (Income Tax, Schedule A). It is true that in the case of small occupied properties let by the week, month or year, the rent is the basis of assessment, and the rent includes the full land value. But in the case of large properties not usually let on short terms, there is no standard such as rent to go by and, as the present assessors are not skilled in valuation, such properties are under-valued for assessment; and some portion of the land value escapes. Again, valuable sites are often occupied by old and unsuitable buildings, and the greater portion of the land value escapes. It is common for land which is ripening for building to be used for agricultural purposes or for sport, and in that case it is assessed according to the value of such use. Here, also, the greater portion of the land value escapes. Lastly, very valuable land often lies unused for years, because the owner stands out for too high a price. In such case the whole of the land value escapes except in so far as it may come within the scope of the Undeveloped Land Duty which is quite inadequate. In the aggregate land values which thus escape, there is a large new source of revenue.

Some indication of the extent of the land and amount of the value which escapes assessment is to be found in the figures relating to local rates, the assessment for which, as for Income Tax, is determined by the actual use or non-use of the land.

business, trade, or industry other than agriculture, it is also exempt, however inadequate such use may be compared with the value of the land." (Separate Report, Departmental Committee on Local Taxation, Blue Book, Cd. 7315, 1914, p. 115.) And in the case of agricultural land of which the site value exceeds £50 per acre, undeveloped land duty is chargeable only on the amount by which the site value exceeds the value of the land for agricultural purposes. No duty is chargeable in any case where the site value of the land does not exceed £50 per acre.

About two-thirds (65 per cent.) of the land in urban districts is rated as "agricultural land," though very valuable and urgently wanted for housing and industrial purposes. Being put to this inferior use, it is assessed at an insignificant amount, and contributes only 2½d. out of every £ collected in rates.

These figures are not guess work. They are based on an official document—White Paper 119 of 1913—which gives particulars of how the burden of rates falls in 1,076 Urban Districts in England and Wales, having a population, in 1911, of 21,206,450. The totals for all these Urban Districts are as follows:—

Total area	3,884,139 acres
Area rated as "agricultural land"	2,533,035 acres
Rates paid on all land	£35,429,301
Rates paid on land rated as "agricultural land"	£400,689

This new source of revenue can be tapped now, (a) without much delay or expense, (b) with perfect fairness, and (c) with most beneficial economic results.

(a) The material necessary for the completion of the Survey and valuation of all the land in Great Britain is now at the command of the Valuation Department, and there is nothing to hinder the immediate preparation of a new and simple Valuation Roll of Land Values. Financial urgency has already been held to justify new and drastic steps for assessing war taxes. Landowners have, since the Act of 1909-10 was passed, had ample notice and opportunity to collect all the information necessary for valuing their interests, and they might be called on by the Act which imposes the tax to make a prompt return of the value of such interests. The Valuation Department is in a position to check such valuation and to make any valuations in default of returns. In the present emergency landowners might be expected not to fall behind other persons in patriotically co-operating with the Government, especially if it were provided that the initial valuation should be revised after the war and that any necessary allowances and adjustments should then be made.

(b) The levy should be on all land values, but the tax paid could be taken into account in connection with the levy of Income Tax, Schedule A. In this way, the land which now escapes assessment would be brought under contribution only as to the extent to which it now escapes. It could be provided that the amount of Property Tax in respect of the annual land value in the Schedule A assessment could be remitted so far as it did not exceed the amount of the Land Values Tax. In this way the land value which is now charged either nothing, or less than its fair share, would be brought under contribution without inflicting a double burden on the owners of land value.

Any one looking at this proposal impartially can hardly fail to recognise its fairness and its urgency in these days of financial strain when all sources of wealth are called on to contribute their fair share. If there is one class that cannot make good any claim to escape fair contribution, it is that of the landowners who hold land which they are neither using nor allowing anyone else to use.

(c) The man who holds land out of use or only puts it to partial use, is vetoing all the production which would be possible if labour and capital had access to that land on fair terms, and, by helping to maintain an artificial scarcity of land, he is increasing the price of it, and so

worsening the condition upon which labour and capital may obtain access to any land. In these days it is not only fair, but urgent, for economic reasons, that all landowners should be taxed alike on the true value of the land they hold. The great need now is, and will be in the years to come, to open up every source of wealth and to increase production in all possible ways, in order to maintain our economic position during the war, and to repair the waste afterwards. The taxation of land values is the surest means to this end, as it would tend to bring into full use land, which, in the absence of such taxation, landowners are encouraged to under-use or keep out of use altogether.

For the above reasons it is urgent at once to take the necessary administrative and legislative steps to secure the Taxation of Land Values.

CONSCRIPTION OF LIFE AND CONSCRIPTION OF WEALTH

[The following passage, so appropriate to the present time, was written in 1901 by the late Max Hirsch (Melbourne). It is from his famous work *DEMOCRACY VERSUS SOCIALISM*, Part III., Chapter VII.]

The object of the State, the fuller assurance of the equal rights of all its members, is defeated by its habitual curtailment of any of these rights. Nevertheless, occasions may arise when some or all rights must be temporarily curtailed, in order to ensure their permanent recognition. Such necessity may arise from external aggression. When the existence of the State itself is threatened, the State may, in so far as appears necessary, call upon all its members to risk their lives in defence of the common rights. Property being less important than life itself, the right to property is of inferior importance to the right to life—the State has still less cause to abstain from infringing the right to property. For purposes of defensive war, therefore, when the common property is insufficient to meet the necessary expenditure individual property may be appropriated by the State, provided that the sacrifice of time, health, life, and property which the members of the State are called upon to make is in some manner equalised. Taxation of individual wealth, unjustifiable as a habitual measure in time of peace, may therefore become justifiable as a temporary measure for purposes of defensive war.

The false notions of proprietary rights engendered by the existing systems of monopoly have obscured even this truth. While some States rely upon voluntary enlistment even in time of war, others habitually practise compulsion, and in none is the right of the State to compel its members to sacrifice their lives in the common defence questioned. While thus claiming the right to infringe, or actually infringing, the equal right to life of some of its members, the State does not generally expect, or compel, a similar sacrifice of property. Instead of calling upon the owners of accumulated property to furnish the funds necessary for defence, the State generally borrows such funds from them, repaying them with interest out of the proceeds of taxation, which mainly falls, not on accumulated property, but on the labour of those classes which have borne the major part of the sacrifice of time, health, and life. The masses of the people, from whom the bulk of the active defenders are drawn, are thus compelled to sacrifice the produce of their labour as well; while the owners of accumulated property who generally take no part in the actual defence, sacrifice little or no property, and frequently receive back, apart from interest, a greater amount of wealth than they have lent to the State.

THE RETRENCHMENT OF LAND VALUATION OFFICIALS

(The following synopsis of the statements made by a deputation of retrenched officials of the Land Valuation Department to Members of Parliament on November 18th, 1915, has been sent by the Chairman, Mr. Charles E. Price, M.P., to the Members who attended.)

On the 18th November, 1915, by invitation of Mr. Charles E. Price, M.P., a deputation of retrenched Land Valuation Officials presented their case to Members of Parliament, and explained why, in their view, the Ministry was acting unjustly and unwisely in curtailing the staff engaged upon the valuation of the land and the assessment of taxation provided for in the Finance (1909-10) Act, 1910.

The meeting took place in Room No. 12 of the House of Commons. Mr. Price presided, and the following Members of Parliament attended: Sir Edward Beauchamp, Sir Wm. P. Beale, Sir Albert Spicer, Sir G. Toulmin, and Messrs. Geo. N. Barnes, H. G. Chancellor, Timothy Davies, S. Galbraith, John Hinds, Leif Jones, J. King, R. C. Lambert, R. L. Outhwaite, J. W. Pratt, P. Wilson Raffan, G. Caradoc Rees, A. MacCallum Scott, Edward Shortt, Philip Snowden, H. A. Watt, Josiah C. Wedgwood, J. Dundas White, and A. W. Yeo.

The Chairman intimated apologies for absence from thirty members of Parliament who owing to other engagements had been unable to attend.

The statements submitted by the Valuers gave information as follows:—

1. The Reduction in the Land Valuation Staff

I. The staff of the Land Valuation Department at the outbreak of War numbered 4,760, comprising 600 permanent and 4,160 temporary officials;

II. 1,000 temporary men enlisted with the benefit of the Treasury regulations (*viz.*, full civil pay less 7s. per week);

III. 171 men resigned their appointments to enlist, one of whom was a permanent official;

IV. About 1,700, mainly junior, men were dismissed up to the end of August, 1915; in most cases these men were warned some little time prior to receiving their notices;

V. In addition, about 900 men were dismissed during September and October; the bulk of these included senior valuers, and in the majority of cases no intimation had been given previous to the month's notice;

VI. Of the 2,600 men dismissed, about 1,100 are professional men, the remainder being clerks;

VII. The staff had been depleted by about 700 experienced valuers, whose services were essential for the proper administration of the Act and for the assessment and collection of the taxes it imposed.

2. The Nature of the Appointments

The professional men employed as Valuers from the passing of the Finance (1909-10) Act, 1910 had repeatedly received assurances from their superiors in the service that the appointments were in fact permanent. They were assured the word "temporary" was used only in the technical sense to distinguish their appointment from that of those public officials who are not on the permanent staff or civil list.

The men who were recently discharged were, at the request of the officials of the Valuation Department, precluded from enlisting when the War broke out as their services were specially required in the Department owing to their age and experience; accordingly they complain that they have been worse treated than any other men connected with the Department, although, by age and experience, special consideration should have been given to them.

3. The Depleted Staff and the Valuation

The valuations of agricultural land have been made in draft, and since Justice Scrutton's decision was given, the papers remain piled up in the district offices. This work is entirely suspended; in many agricultural counties the offices have been closed, and the men who could settle objections to Provisional Valuations have been dismissed.

All the valuations for Estate Duty require most careful consideration and outside valuers are already submitting valuations on the old basis as it was before the passing of the Finance Act.

Owing to pressure of work on the Provisional Valuation (showing the values as on 30th April, 1909) the re-valuation of undeveloped land, which should have been made in 1914, was passed over. As this valuation falls to be made periodically, this will happen again unless the present staff is augmented. The majority of the valuers who made the valuations for Undeveloped Land Duty are retrenched.

4. The Resulting Loss in Revenue

a. Estate Duty.

A very large number of Estate Duty cases are at the present time held up, pending valuations by the Department. These cases can only be dealt with perfunctorily and the outcome will be a loss in revenue.

The effect of the application of the new Valuation to Estate Duty since the passing of the Act is shown as follows:—

Increase in Total Value from 1st April, 1910, to 31st March, 1914, due to official valuation was 6.16 per cent.; prior to 1st April, 1910, the average increase was 3.00 per cent.; increase due to new organisation, 3.16 per cent.

In addition to this must be taken into account the fact that the original submissions have been higher, due to the knowledge that the valuations would be more closely scrutinised, and further that in many cases the Provisional Valuation figures have been adopted.

b. Undeveloped Land Duty.

From apparent weakness of administration the owners of large estates with considerable areas of undeveloped land have successfully resisted the collection of this Duty. In the majority of cases any Duty that has been paid is of a trifling nature, and if inquiry is made it will be found that this Duty has been levied mainly on small owners.

Many large landowners have successfully resisted any payment of Undeveloped Land Duty, pending the settlement of the Provisional Valuations, in spite of the section in the Act which provides that Duty shall be paid, and any excess refunded upon settlement. If the objections were settled, and most of them could be, the yield here would be greatly increased.

c. Increment Value Duty; 600,000 Cases Not Even Examined.

The present staff cannot deal with the vast number of Increment Value Duty cases except in general by making the occasional valuation agree with the original valuation, and that means loss of Increment Value Duty. In probably thirty per cent. of cases the Valuations purporting to have been made in 1909 are still Provisional and need settling before they become original Valuations, *i.e.*, before the question of increment can be disposed of. Here again the absence of the sectional valuer who did the work will result in loss of revenue.

A detailed list of outstanding Increment Value Duty cases, received from a number of District Valuation Offices, showed there were at present 575,250 unexamined cases in England and Wales, and between 20,000 and 30,000 in Scotland. As the existing staff is inadequate for current work these 600,000 cases are likely to remain in abeyance.

until after the War, and the collection of at least £200,000 now leviable as Increment Value Duty will be indefinitely postponed.

d. Reversion Duty.

Owing to legal technicalities (Camden case, &c.) the collection of Duty is temporarily suspended, but a large number of cases are in suspension and consequently a correspondingly large amount of Duty remains uncollected. As in Increment Value Duty, a fairly complicated valuation has to be made, again dependent as to payment of Duty on the settlement of the 1909 valuation, the retrenchment of the valuers who did the work will result in loss of revenue.

5. The Valuation as a Check upon other Assessments

There is no co-operation whatever between the staffs of the Surveyors of Taxes and the Valuation Offices, although they are under the same Board of Inland Revenue. The responsible Surveyors of Taxes who control assessments on Schedules A and B, notwithstanding their Civil Service training, will find that experienced officials of the Land Valuation office have come into more intimate acquaintance with values during the past five years than they have.

The assessments to the Poor Rate in which Schedule A is based are no criterion whatever of the correct annual values or upon which to capitalise the leasehold or freehold values. If the discrepancies in annual values were corrected in the tax district of Marylebone, Hampstead, Paddington, St. Pancras, Holborn, Westminster and Kensington alone, it would result in a considerable increase to the local and Imperial treasuries.

6. The 1909 Budget a Dead Letter

It is impossible that the Permanent Staff as now constituted can deal with the work imposed upon them in anything but a slipshod manner, and the loss of revenue will assume serious proportions. Considerable difficulty was experienced in getting together the staff—the profession being a limited one—and this suggests the desirability of the Government keeping the existing staff at least under their control.

In conclusion, the definite statement may be made that “in the Finance Act (1909-10) Act, 1910, there is an Act of Parliament in being, but not in force.”

Addendum

Although no reference was made to the point at this interview with the retrenched valuers, it may be noted that the Commissioners of Inland Revenue, in their annual report to Parliament, have consistently neglected to give information as to the sum total of the “gross values,” the “full site values,” and the “assessable site values” of all the hereditaments valued by the Valuation Department; their return states only the sum total of the “total values” of all the hereditaments assessed. There is good reason to believe that this negligence is due to the fact that the Commissioners have not required the District Offices to submit information to them concerning “gross values,” “full site value,” and “assessable site value.” The data have not been assembled or tabulated at the head office, and it is essential that the facts be duly presented to Parliament.

COST OF STRIKES

In an appeal for increased contributions, the Northumberland Miners' Association states that the funds are exhausted. The Union's property is mortgaged, and there is a bank overdraft of £14,000. Five years ago the association had £125,000, but this has been swept away in two strikes.—(EDINBURGH EVENING NEWS, 22nd November.)

THE CAUSE OF SOCIAL INEQUALITY

By Louis F. Post

Assistant Secretary of Labour, U.S.A.

(Part of an Address delivered at Ford Hall, Boston, on November 21st.)

My idea of government is a perfect balance between society and the individual, between the social and individual functions, and I think that one of the great troubles we have had in our politics, our religion, and our laws is that we have not recognised that balance.

But we must take government as we find it. We will never get anything done if we refuse to begin working until everything is just the way we want it. What should government as it is do in the matter of idleness? And what do we mean by idleness?

There is one kind of idleness with which no government ought to interfere, and that is earned leisure. Every man should have the right to do as he sees fit with his earned leisure, unless he is damaging somebody else.

The idleness of those who are living on what they are pleased to call the saved-up wealth of their ancestors is the kind of leisure that government should interfere with. They get it at the expense of the working masses. How do they get it? Through municipal laws they get the privilege of holding control of those things which labour must have in order to work.

Now you can abolish all kinds of social inequalities, but if you leave the prime one—if you leave the monopoly of this earth that God has given to his children—you will continue to have the old slavery conditions in one form or another. Remove that monopoly, and every other social improvement you make will come more easily. Land monopoly is at the bottom of it all. If we are going to improve these conditions and abolish idleness, we have got to strike at the root, and get rid of the underlying causes.

There are other things which have to be done. Don't imagine that I think we can bring about a millennium by doing any one thing. We could do several things if we could only get people to agree to act together. . . . How are we going to bring them together?

I would say to them, “Gentlemen, this earth was meant for men. We have made it private property. We have no justification for making it so, except that men can make it more useful to the common good if they work it piece by piece than it would be if it were one great public common. Let us, then, continue to hold the land we have, but let us take only the money that is produced by our own labour upon it. Any unearned increment due to the land itself should be permitted to go into the public treasury.”

When you say things like that, some people immediately begin to say “Confiscation.” Words don't scare me. When the people wake up and realise that certain other people have been living off them, some things are going to happen.

In a report made on November 15th to Mayor Newton D. Baker of Cleveland, the city's Tax Commission unanimously recommends abolition of the uniform rule for taxation of all kinds of property, legislation for classification of property, exemption of mortgages and substitution of a recording fee and preparation of a new tax code by the State Tax Commission. A majority of the Commission recommends land value taxation for local purposes and an inheritance tax for state purposes.

THE STATE OF THE LAND VALUATION

The Inland Revenue Commissioners' Report

The Report (Cd. 8116, price 1s. 3d.) of the Commissioners of Inland Revenue for the year ended 31st March, 1915, was published last month. In the chapter "Duties on Land Values" it contains particulars of the Land Valuation, but the information is less complete than the facts the public are entitled to expect from a Government Department entrusted with the administration of an Act of Parliament and bound to publish the results of the work it is called on to perform.

The Budget of 1909 provided that in respect of each piece of land under separate occupancy an assessment should be made of its "gross value," its "full site value," its "total value" and its "assessable site value." These four standards of value are peculiar to the Act and have each a specific definition, but their main object was twofold (1) to ascertain and place in distinct columns the composite value of each property, and the value of the land alone, and (2) to fix a basis of taxation for certain "Land Value Duties" imposed by the Act. The basis adopted for the latter purpose was the so-called "assessable site value" which frequently does not represent the real value of the land as it excludes fixed charges (such as chief rents and feu duties), rights of way, easements and various covenants and restrictions. "Full site value" approximated much more closely to the real value of land alone and would have been a perfect assessment of site values had it not been that it did not entirely exclude certain improvements on agricultural land. It will be remembered that on two occasions abortive attempts were made to have this slight defect remedied in Revenue Bills introduced in the House of Commons.

The "gross value" and the "total value" of land are composite values embracing both land value and improvement value. The former is the whole value of the land plus the whole value of the improvements; the latter represents only part of the value of the land plus the whole value of the improvements. The part of the land value left out is the value of any fixed charges (chief rents, feu duties, &c.) the land has to bear, and of public rights of way, right of common, various restrictions, easements, covenants, &c. "Total value" in fact is an artificial mixture of land value with improvement value and has only a technical meaning as an intermediate step in the process of ascertaining the "assessable site value" of land—a process which we admit is intricate and difficult to follow.

Such being the nature of "total value," a meaningless standard which serves no purpose in the present, and is likely to serve none in the future, it is surprising that the Commissioners choose to give information only about that value in their Report, and omit any reference to the "gross value," the "full site value" and the "assessable site value" of the land that has been provisionally valued. They have apparently used their own judgment as to what Parliament and the country ought to be told about the Valuation and succeed in giving information that is of no practical use to any one. The matter is all the more serious since, as we understand, they have not required the District Offices to send in any return from their respective districts of the sum total of any values ascertained, other than "total value." The figures have not been assembled at the head office and it will mean much labour, and probably long delay, to go through all the papers in order to compute for each local area and for the whole country the sum total of site value on which either the rating or

the taxation of land values may be based. Manifestly, until the information is collected it will be impossible even to estimate the revenue from any suggested tax on land values, and no Chancellor of the Exchequer is likely to propose a land values tax without material for such an estimate. The fact also that many District Offices are closed, staffs disbanded (owing to the policy of retrenchment) imposes further difficulties in the way, and we are left meanwhile with a useless instrument in the form of statistics that have no relevance to the objects the Valuation was designed to effect.

THE COMMISSIONERS' REVIEW.

We quote the following extracts from the Report, which show the present state of affairs in regard to the Valuation and the assessment and collection of the Land Value Duties:—

"During the year under review steady progress has been made with the original valuation of land under Part I. of the Finance (1909-10) Act, 1910. The completion of this valuation, which, it was anticipated, would in normal circumstances have been effected by the 31st March, 1915, was delayed by two main causes.

"The effect of the decision of the High Court in the case of the Commissioners of Inland Revenue *v.* Smyth was, as we explained in our previous Report, to prevent the issue of provisional valuations of all land where there was an element of agricultural value present.

"Legislation, confirming the principles of valuation which we had adopted in the case of land having an element of agricultural value, was introduced in the Revenue Bill of 1914, but owing to the outbreak of war, the Bill has not been proceeded with. As a result, the issue of provisional valuations of land, affected by the decision referred to above, has been totally suspended during the year to 31st March, 1915.

"The second cause was the outbreak of war in August, 1914. Not only was the making and service of provisional valuations, where possible, delayed by the depletion of our valuation staff, consequent upon mobilisation, but also the departure on Active Service of owners and their agents rendered it imperative that the limited period for giving notice of objection to valuations, when served, should be extended. Consequently, in the case of all provisional valuations served after the outbreak of war or within a period of 60 days prior thereto, an extension of time within which objection to the valuation may be made, has been granted for a period of 60 days after a date which will hereafter be fixed. The result of this extension is that, while the making and service of provisional valuations has, where possible, been steadily continued throughout the year, the final settlement of the valuations has been indefinitely delayed.

"From the information given in the following tables, it will be seen that at the 31st March, 1915, only 5 per cent. of the total valuations remained to be made. The making of the outstanding provisional valuations was practically completed at the date of this Report."

PROVISIONAL VALUATIONS MADE TO 31ST MARCH, 1915. (England, Wales and Scotland.)

Total number of provisional valuations made (including 321,918 made, but not yet notified to the owner and others persons entitled to notice)	7,335,455
Total numbers of hereditaments included in provisional valuations	9,982,354
Approximate area of land included in provisional valuation acres	53,694,807
Aggregate "total value" of land included in provisional valuations	£4,555,285,522
These figures are exclusive of mineral valuations:	

PROVISIONAL VALUATIONS OF MINERALS.

Provisional valuation of minerals made and notified to the owner and other persons entitled to notice—total to 31st March, 1915	5,714
Approximate area of land included in provisional valuations of minerals .. acres	808,026
Aggregate total value of minerals included in provisional valuations	£7,369,349

REVENUE FROM THE DUTIES.

[We take the figures for 1913-14 and 1914-15 only.]

	1913-14.	1914-15.
	£	£
Increment Value Duty	34,199	48,316
Reversion Duty	80,435	19,313
Undeveloped Land Duty	274,916	8,652
Mineral Rights Duty	345,343	337,680

INCREMENT VALUE DUTY.

“The approximate number of cases in which land or an interest in land passes on death is 28,000 annually.

“A considerable increase has again been made in the number of assessments made in the year, due to the fact that the necessary valuations have been received in greater numbers from the Valuation Department, and that the original valuations are in a very large number of cases now finally settled.

“The collection of the duty has, however, in a considerable number of cases been suspended, in view of the legislation in connection with the Increment Value Duty, which was promised by the Prime Minister, but was postponed owing to the outbreak of war.

“For the reason explained in our previous Report, the delay in dealing with cases of liability to Increment Value Duty has not yet been wholly overcome. It is, however, anticipated that on the practical completion of the original valuation of land, as at 30th April, 1909, during the year 1915-16, the arrears will be overtaken and the delay in assessment reduced to the smallest degree possible.”

THE REVERSION DUTY.

“The number of Reversion Duty Accounts delivered in the year ended 31st March, 1915, was 1,971, as compared with 2,710 in the preceding year. Of the total number of accounts delivered, viz., 9,414 assessments have been made in 3,753 cases, and in 1,970 cases notifications that no Duty is payable have been issued.

“The decision of the House of Lords in the case of *Marquis of Camden v. The Commissioners of Inland Revenue* (a summary of which was given on page 167 of our previous Report) was adverse to the Crown's contention. The decision was, however, inconclusive so far as affording an authoritative basis for the computation of “total value” at the time of the grant of a lease, where the lease was granted in consideration of expenses incurred by the lessee in carrying out works, and of the rent and covenants reserved by the lease. It is consequently necessary to take another case on this point to the Courts.

“In the meantime, in those cases where the point raised in the *Camden* case is involved—and these cases form the majority of those received and provide the bulk of the anticipated yield of this Duty—no action in the matter of assessment, or collection of the Duty where assessed, is at present being taken.”

THE UNDEVELOPED LAND DUTY.

“The assessment and collection of the arrears of Undeveloped Land Duty for 1913-14 and prior years was, for the reasons given in our previous Report, suspended as from the end of February, 1914. Remedial legislation was introduced in the Revenue Bill of 1914, but the postponement of that Bill and the subsequent outbreak of war

rendered it impossible to take any action in the matter of the assessment and collection of the Duty during the year ended 31st March, 1915.

“As a preliminary to the assessment and collection of this Duty for the year under review, a re-valuation of land liable thereto fell to be made under the provisions of the Finance (1909-10) Act, 1910. Proposals for the postponement of the re-valuation were included in the Revenue Bill, which, as explained above, was not passed into law. In the absence of the necessary re-valuation, no steps were possible towards the assessment of Undeveloped Land Duty for the year ended 31st March, 1915. Payments of Duty previously assessed, amounting to £8,630, were made during the year.”

IRELAND.

The Commissioners gave no particulars as to the aggregate value of land valued in Ireland. Their report is silent on the point, the only valuation data given being those respecting properties passing on death and subject to valuation for Estate, &c., Duties.

A. W. M.

DEATH OF H. F. RING

The sudden death at his home at Houston, Texas, on December 14th, of Henry Franklin Ring removes one whose name and work have been familiar to Single-tax advocates since the days when the movement was still in its infancy. If he had done nothing else, the authorship of *THE CASE PLAINLY STATED* would have been sufficient to perpetuate his memory as one who had contributed great power to the movement. This address, originally given at a small gathering of Knights of Labour in 1888, was reprinted as a pamphlet. Being a remarkably clear, logical and convincing presentation of the subject, it has proved one of the most valuable of single-tax propaganda tracts, one that has very many converts to its credit.

Henry Franklin Ring was born at Worthington, Massachusetts, on December 27th, 1852. At the age of 16 he went to Cornell University and worked his way through. After graduation he taught school. At Quitman, Texas, he studied law and was admitted to the bar in 1876. In 1879 he located at Houston and became one of the most prominent attorneys of the State. Shortly before his death he wrote an economic work, *THE PROBLEM OF THE UNEMPLOYED*, and published it anonymously. But though the author's name does not appear, those familiar with his style must note the same ability to speak logically and clearly which characterises *THE CASE PLAINLY STATED*. Thus to the end he was working to spread the light. His wife and two sons survive him.

A deserved tribute to his memory is the following from Joseph J. Pastoriza, his friend and co-worker in the Single-tax cause:—

H. F. Ring's whole life goes to show that he cared nothing about himself. He cared nothing about his personal financial affairs if the things he advocated could be of service to humanity. His whole heart was wrapped up in the Single-tax cause. He did not let his finances and his friendship interfere with his free thought. He was fearless in his opinions regardless of whom it affected.

(The PUBLIC, Chicago, December 24th.)

The New Zealand national land tax yields £767,451 a year (including the graduated and absentee taxes, £258,135), or 12·97 per cent. of the total tax revenue of £5,918,034. It is estimated that roughly one-third of the local tax revenue of £1,968,767 is derived from unimproved land values.

THE ECONOMIC RESULTS OF "SAVING"

(To the Editor of LAND VALUES.)

SIR,—I have for a long time been of the opinion that national or properly speaking *community* saving is a fallacy. One individual may save and be benefited thereby, if other people are *not* saving, for the latter will probably borrow from him and pay interest, under present conditions, for the use of the borrowed savings. But if all his neighbours have saved then they will wish to lend to him; and of what use will "saved" houses, or food, or jewellery be to anyone when no one will borrow or pay for the loan of it. Further, if general "saving" (in the sense of parsimony, non-use, or non-consumption) were practised, what would be the effect on production?

Suppose that A., a farmer or producer of necessaries, produces as much wealth as he desires, say, equal in value to $6x$. But $1x$ is sufficient to keep himself and family supplied with the necessaries of life. He has $5x$ value remaining with which to purchase the products of his neighbours, whom we may name B., a golf-club maker, C., a cricket bat maker, D., a billiard-table maker, E., a piano maker, and F., a jewellery maker. Any other secondary trades will do.

As all labour is equal and interchangeable, B., C., D., E. and F., each produce $6x$ of wealth in their respective products and each of the six workers, having $5x$ of his own products more than he can use, exchanges the $5x$ for the other five kinds of products, keeping $1x$ only of his own product for his own use.

Each worker has now $6x$ of wealth as before, but represented by $1x$ of each of the six different kinds of products. The total wealth produced and in use is $36x$.

But a change comes over the scene with the advent of "saving."

The men of letters, and our advisers in the press and elsewhere hear of Adam Smith's teaching, that a "saver" is a public, a community, benefactor; and of Samuel Smiles' pleasant doctrine that every man may become Lord Chancellor of England or the proprietor of the biggest factory in the country if he will only save and study, and study and save.

F., having been impressed by the doctrines being taught at the present moment, sets out to sell his jewellery, but is determined not to bring back any luxury. Finding, however, that E., D., C. and B. are equally determined to save and not buy jewellery, he proceeds to interview A., who receives him with a lordly air and kicks him and his jewellery into the road; A. regards F. as an emissary of the devil trying to tempt him from the path of economic rectitude. But five starving men are too many for A., so fearing a riot, A. throws over his new principles, but in the doing of it makes a scoop of his neighbours' wealth.

This result, however, is only temporary. For B., C., D., E. and F. will not produce goods which they cannot exchange, and will be driven by A.'s exactions to produce their own food or necessaries and nothing more. To this pass also will A. be brought.

So the production, for want of consumption or owing to determined "saving," will come to be $1x$ each, or a total value of $6x$, all in necessaries, as against $36x$ formerly.

This is surely a return to barbarism. Every man his own farmer and nothing else. Yet does it not seem to be the logical result of non-consumption, just as it would be of Protection all round? Indeed, when one comes to think of it, we could never have started on the road to civilization if "saving" had been the rule of our ancestors. All saving—no trade: no trading—no division of labour: without division of labour, no progress!

Division of labour was the greatest discovery ever made in the history of the human race. The first weaver could not have sold his luxurious grass mat to the first spendthrift. Nor could the first neolithic maker of polished hammers have sold any of his ornamented and beautiful tools to his palæolithic, parsimonious neighbour. We should still have been going about in the bear-skins of our ancestors and our own. The primitive artist would have got no encouragement and the poet could never have written of him—chill parsimony repressed the genial current of his soul.

Under any conditions that I can imagine, whether of peace or war, the production will always drop to $1x$, must drop to $1x$, if "saving" becomes general. Those not engaged in war must produce a fraction more of food, &c., but the total product would remain at $6x$.

Suppose the State takes F. for soldiering, and taxes the other to pay F., F. is entitled to $6x$ minus the new taxes. The former total, $36x$, will now be minus F.'s product of $6x$; that reduces the total to $30x$. The State takes $5x$ for F.'s share, leaving A., B., C, D. and E. with only $5x$ each; that is food and four other products instead of five others. To compensate for F.'s absence the other five would need to produce $\frac{36x}{5} = 7\frac{1}{5}x$ each. F. would then be sure that

his family would be provided for, as well, as in time of peace. If compelled by "saving" to produce food only, they would each have to produce $1\frac{1}{5}x$ to supply F. with $1x$.

With E. and F. away producing smoke the total would drop to $24x$, of which Government must take $8x$ to make E. and F. equal with those at home, leaving only $4x$ for each worker. To be as at first each productive worker must produce $9x$ or if food only $1\frac{1}{2}x$.

Would the workers be content with $4x$ or $5x$ because it was time of war? Or would they work harder and produce more because of the community's danger? Would taxation make them produce more? And if yes, what kind of taxation?

The evil results of "saving" would be the same under any land system. Free land under the Single Tax on land values would only allow the final adjustments to be reached sooner. It could not stay the catastrophe of barbarism. The harvest-time of the A. group of food producers would just be shortened.

I am, &c.,

W. J. YOUNG.

Edinburgh.

January, 1916.

DR. ANDREW COMMINS

The death took place on January 7th at his residence, The Grange, West Derby, of Dr. Andrew Commins, a prominent member of the Bar of the Northern Circuit and a leading figure in the Irish Nationalist movement. Dr. Commins was at one time member of Parliament for Roscommon and afterwards for South-east Cork until he retired in 1900. He rendered valuable assistance to the Financial Reform Association of Liverpool, and was a consistent advocate of the taxation of land values. He presided at Henry George's meeting in the Rotunda at Liverpool on January 25th, 1884. The meeting took place at a time when Henry George's campaign had aroused much excitement and bitter antagonism, and when he had to face at many of his meetings deliberate and organised opposition. Henry George, writing of this meeting to Mr. T. F. Walker, said: "My lecture here was a victory that would have done your heart good. The set against me in Birmingham was nothing to the set against me here. . . . Not a soul was to go on the stage with me save Dr. Commins, M.P.; and I urged him not to but he insisted that he would!"

PUBLIC AND PRIVATE INTERESTS

PRESERVATION OF LONDON COMMONS

Mr. Lawrence W. Chubb on January 19th read a paper before the Royal Society of Arts on "The Common Lands of London," describing the work of the Commons and Footpaths Preservation Society, of which he is secretary, in its fifty years of existence. He pointed out, says the *MORNING POST*, that between 1710 and 1809 about five million acres of common lands were divided, 219,724 acres being enclosed in the counties bordering London. Some of this land had since been repurchased on behalf of the public, as in the case of Hainault Forest. Greater London was still the happy possessor of 15,900 acres of common land, but within twenty miles of the capital there remained tracts the enclosure of which had been decreed 70 years ago for growing corn, but which had never even been fenced. Referring to the struggles and victories of the Society in preventing encroachment on public rights, he remarked that at the time of its foundation commons were being ruthlessly absorbed. Epping Forest was fast disappearing, Hampstead Heath was gravely threatened, and such invaluable open spaces as Tooting and Plumstead Commons and Bostall Heath were already enclosed. Wimbledon Common was saved by a board of Conservators, which in order to secure the payment of an annuity of £1,200 to the Lord of the Manor levied a rate on all dwelling-houses within three-quarters of a mile, in proportion to their nearness to the common, a novel expedient which was confirmed by Parliament, and might be repeated in other neighbourhoods. The Corporation of London spent nearly £300,000 in Epping Forest in buying out manorial rights and in legal expenses, and in consequence of its action over 3,000 acres were restored to the Forest. There remained about 2,300 acres of unregulated commons in the Metropolitan area, the most important being at Epsom and Thames Ditton. Every common ought to be under regulation, to ensure law and order, and its preservation as an open space. Our commons and parks had lately been put to extensive military uses, and had been the means of saving vast sums that would have had to be spent on training grounds. It was not to be thought that after the successes of the Society nothing further remained to be done. But a new spirit prevailed, for the Inclosure Commissioners, who facilitated the appropriation of common land, had ceased to exist, and the Board of Agriculture, who took their place, were bound to regard public rather than private interests. It would be folly to sacrifice the commons on the altar of utilitarianism while millions of acres of enclosed land lay idle in the productive sense. Illegal enclosures were still taking place, and undesirable schemes of afforestation required to be watched. No one would assert that London was too well equipped with facilities for recreation when it was realised that there was but one acre of open space in London proper for every 678 inhabitants, while in Southwark there was only one acre for every 14,509 persons.

The following account of the struggle for public rights to Hampstead Heath is given in *The STANDARD* report of Mr. Chubb's address:—

"The Heath was a common within the manor of Sir Thomas Maryon Wilson, and for many years that gentleman had made fruitless attempts to induce Parliament to allow him to deal with it as part of his building estate. Before the Select Committee of 1865 Sir Thomas asserted his absolute interest in the land, free from any common or other rights, and his intention to make what use of it he could by leasing

it for building purposes,' complaining that by the outcry raised against him he had been deprived of £50,000 a year.

"True to his threat, Sir Thomas commenced to build houses upon the most conspicuous parts of the Heath. His action was promptly challenged by Mr. Gurney Hoare, who brought a suit against Sir Thomas on behalf of the commoners of the class to which Mr. Hoare belonged. Lord Romilly, the Master of the Rolls, established the society's claim that a single commoner might take proceedings on behalf of all representatives of his class. The issues of fact involved in the suit were directed to be tried by a jury. Before this could be done Sir Thomas died. His successor announced that he did not intend to proceed with the buildings upon the Heath. An arrangement was reached by which the Metropolitan Board of Works bought out the manorial rights for £45,000. Sir Thomas Maryon Wilson had demanded no less a sum than £400,000 for the Heath. The outcome of the expensive legal proceedings thus fully repaid Mr. Hoare, his friends, and the Commons Society for embarking upon litigation."

* * *

DEARTH OF SMALL HOUSES

Woolwich is not alone in suffering from an acute scarcity of housing accommodation. The same conditions, says *The TIMES*, appear to exist in most, if not all, of the big centres of munition work to which there has been a large influx of new population since the work of supplying our Armies on an adequate scale was taken seriously in hand. The fact, mentioned in *The TIMES* recently, that premiums are offered to house-finders in Woolwich, where it is said no house rented below £50 a year is to let, has an exact parallel in Newcastle-on-Tyne, Barrow, and Coventry. Sheffield is embarking on a big municipal scheme of permanent and temporary housing, and everywhere there are signs that the problem of providing living accommodation for the men who are producing the essential supplies for our Armies and their families is especially urgent.

The problem is not, however, an easy one. In most districts there was a deficiency of small houses even before the war, due to the discouragement of speculative building by recent legislation. The speculative builder cannot now meet the need because of scarcity of labour and the enhanced cost of material. Municipalities are disinclined to act, although they possess the necessary powers, because they believe the demand to be temporary. The local authorities in some districts have been encouraged to calculate the possible duration of the war in months, and they consider that they would be ill-advised in spending a large amount of the ratepayers' money at a time when building is most expensive. The tendency outside a few boroughs is to throw the responsibility on the Government. As the Woolwich Borough Council put it, "The Council have come to the conclusion that the difficulty, being wholly created by the responsibilities of the Government, should be met by them."

Below are given messages from district correspondents on the subject:—

NEWCASTLE-ON-TYNE.—So great a scarcity of dwelling-house accommodation in Newcastle and district has not been known within living memory. Advertisers in the local papers have offered cash bonuses up to £3 to any one who could secure for them flats of three or four rooms.

COVENTRY.—The house-famine from which Coventry has been suffering for two or three years owing to its abnormal growth has become very acute since the outbreak of war. One pound a week is being paid for two rooms in a tiny cottage, and as much as £5 has been

offered by an advertiser for the key of a house. Whole families are living in rooms in which cooking and washing are done. Schools and other public buildings are being converted into lodging-houses for munition workers.

GLASGOW.—For several months the demand for houses of all sizes in Glasgow and district has been abnormal. In the parts where most of the controlled establishments are located the house factors state that they have long lists of applications for their houses.

SHEFFIELD.—The need of housing accommodation in Sheffield is very serious, in consequence of the influx of many thousands of new munition workers. Yesterday the City Council approved of housing schemes costing over £250,000. This includes the erection of 261 permanent houses, in extension of the Corporation Model Village at a cost of £75,000. The contracts provide for the completion of the entire scheme by July.

BARROW.—The house famine before the war was acute. The position then was nothing to what it is now. Thousands of munition workers have been brought to Barrow. A few hundred houses are being built, but labour is scarce, and it is estimated that over 2,000 dwellings are necessary. Last week £5 was offered for the key of a house.

(The TIMES, January 13th.)

* * *

HOUSE FAMINE AT WOOLWICH

Woolwich is suffering to-day from a house famine, says The TIMES (January 10th). There is, so far as is known, not a single private house in the borough or district rented at under £50 a year to let. The slightest intimation that a house is likely to become vacant brings a flood of applications. It was rumoured late one night that a small house, old and not very convenient, might be available soon, as the present tenant had been ordered abroad. By 8 o'clock next morning 36 people had applied for it. It had been let, however, by 6 a.m.

People advertise in the local newspapers offering premiums to those who will find them houses. Some would-be tenants offer to deposit a year's rent in advance. House agents sometimes demand fees before they will undertake a search for rooms or a small house. Young couples well able to marry have been waiting for months until they can find a home of their own; many of them have had to accept a compromise and live with the mother-in-law. One young man took over a house in July and paid rent for over five months before he occupied it with his bride in December.

Small houses can be bought, but the mere purchase of a house does not always give the buyer possession. Experienced property owners, remembering the slump that is almost bound to come when the war is over, are mostly glad to sell now at "boom" prices. The new owners may and do, often enough, find themselves in an awkward predicament.

A prosperous Arsenal worker recently bought a house, and gave the tenant notice to quit. The tenant frankly refused to go out. He said that he was quite willing to pay his rent, and he did not mean to budge. He also had bought a house, and his tenant would not give up possession. If the new landlord could find some means of turning the tenant's tenant out, then the tenant would move to his own home, and allow the landlord to have possession of his. The man who had bought the house recognised the inevitableness of the position, and accepted it. Had he tried to enforce his legal rights he might have found himself in a very difficult position. Magistrates are naturally chary of granting ejection orders against respectable tenants who pay their rent regularly, simply because a new landlord wishes to occupy the house himself. It is especially difficult to obtain such orders when every one knows that the ejected tenant will not be able to find fresh accommodation in the district.

BAULKED BY THE PARSON AND THE SQUIRE

Difficulties of the Clewer Parish Council

A praiseworthy effort on the part of the Clewer Parish Council to cope with the economic conditions set up by war has, unfortunately, come to an untimely end. One of their Progressive members, Mr. A. Waddington, has brought before the Council a scheme to acquire land to be let out in small holdings for the raising of garden produce or rearing of poultry with the object of forming a central depot for its disposal.

The Council wrote to all the landowners in the district, but no one had any land to let them have, save one man who had eight acres, but would only let to the Parish Council direct.

At the meeting of the Council yesterday it appeared that amongst those who had ignored the Council altogether were the Rev. A. T. Cowie, Rector of the parish, and Mr. E. B. Foster, the Squire.

The chairman of the Council, Mr. George Carter, said that the Parish Council were the elected representatives of the people, and were entitled to courtesy if nothing more.

Mr. Waddington said that it was historically in the fitness of things, and just what they should have expected, that as they were about to do some real good in the parish they were baulked by the Parson and the Squire. The best laid schemes of mice and Parish Councillors went aft agley, especially if the Parson or the Squire could send them.—(The STAR, January 11th.)

* * *

HIGH RENT FOR A TELEPHONE STANDARD

Correspondence has passed between the Postmaster-General and the Deacons' Court of Albert Square United Free Church, Dundee, over the question of a telephone standard on the church roof. The standard has been on the roof for years, and under an arrangement with the Telephone Company a rent of £7 per annum was paid to the church authorities. Recently the church authorities intimated that the rent would be increased to £1 per month, otherwise the standard must be removed. This is the cause of the trouble, and in a letter, dated Saturday, from the Postmaster-General, he states that the Dundee rents for way-leaves are more than twice as high as those paid in English centres, and that the proposal of the Dundee church managers amounts to an increase of 70 per cent. The claim is described as unreasonable, and the Postmaster-General declines to assent to it. The letter proceeds:—"Under present conditions the Postmaster-General is endeavouring to carry on the public services with greatly reduced resources of men and money. Already no fewer than 47,000 men have been withdrawn from the Post Office for combatant and other services with the Army and Navy. He has been compelled to close some offices and to curtail some services, as well as to suspend construction and other works. If the rights of private property are to be used in such circumstances to force unreasonable removals, which will break communications, the existing law may not be sufficient to prevent this, and the inhabitants of the localities concerned will suffer unless and until fresh legislation puts a stop to such abuses. It is clear enough that they are opposed to the public interest, and to the requests made to the Postmaster-General by the conferences of Local Authorities, the Associated Chambers of Commerce, and other public bodies for a wide development of the telephone service at rates comparable with those in some Continental countries, where such difficulties do not exist."—(The SCOTSMAN, January 10th.)

HOUSING IN GLASGOW

From the annual statement issued by Mr. Alexander Walker, the City Assessor, it appears that there was at Whitsunday last a total of 8,967 empty houses and 222,072 occupied houses. In all the total number of subjects on the Valuation Roll, including houses, shops, and other premises, was 280,917, of which 14,659 were empty.

Details are given in the return of the number of houses in each ward which are of single apartment, or of two, three, four, or five rooms and over. Dalmarnock Ward, with 4,265, is shown to contain the largest number of occupied single-apartment dwellings, Mile-End coming next with 3,333 and Hutchesontown third with 2,792, followed by Springburn with 2,720. Kelvinside shows only five single-apartment houses, Blythswood seven, Langside 35, Exchange 37, Pollokshields 41, Park 67, and Cathcart 80. The total of single-apartment houses is given as 40,368, of which 2,633 were empty at Whitsunday.

There were no empty houses in Langside or Cathcart of a size under five rooms, and of houses containing five rooms or more only 31 were empty in Langside and six in Cathcart.

The gross totals of empty houses show that in Fairfield there were only nine, Partick West 13, Jordanhill 13, Blythswood 21, Govan Central 24, Shettleston and Tollcross 28, Exchange 31, and Pollokshaws 36.—(THE GLASGOW NEWS, December 25th.)

* * *

COST OF LIVERPOOL HOUSING SCHEMES

According to a statement prepared by the city treasurer up to the end of December, 1914, the total cost of demolition, *i.e.*, work done under the Liverpool Sanitary Amendment Act, 1864, was £306,803 0s. 5d., whereas the amount expended on housing under the Housing of the Working Classes Acts was £878,858 0s. 8d. The total cost of housing and demolition, therefore, amounted to £1,185,661 10s. 1d., of which sum there was a balance still owing of £746,052 0s. 11d. The interest and sinking fund on that sum amounted to £46,166 3s. 4d per annum. Deducting therefrom the net receipts, which amounted to £12,187 7s. 10d., there remained a balance of £33,978 15s. 6d., which was the present net charge per annum for the whole of the work, and was equivalent approximately to 2½d. in the £ on the rates.—(LIVERPOOL COURIER, 16th October.)

* * *

PRICE OF SPITALFIELDS MARKET

Spitalfields Market having been acquired compulsorily by the City Corporation from Mr. Robert Horner, an arbitration was opened on October 5th at the Surveyors' Institution to decide the purchase price.

Mr. Balfour Browne, K.C., for Mr. Horner, said he purchased the remainder of the existing leases in 1875 and obtained a new lease in 1882, the rent eventually being fixed at £5,000 a year. He spent over £55,000 in remodelling the market. In 1901 the City made an offer of £330,000 for the market, but Mr. Horner's minimum was £400,000. The market franchise involved the payment of tolls on Thursdays and Saturdays. The charter dated from 1682. In 1904 Mr. Horner offered to sell for £600,000, but subsequently withdrew the offer. He had not only a franchise market, but a private market on the other days of the week.

The inquiry was adjourned.—(THE TIMES.)

A WAR OFFICE LAND SALE

Mr. Tennant has informed Mr. Salter that War Office land at Aldershot has recently been sold to the Army and Navy Co-operative Society, Limited. The price was £4,300, and the sale was by private treaty. The land has been conveyed.

The Aldershot Chamber of Commerce has called a special meeting for this evening to publish what details it possesses of the transaction and to consider what further steps it shall take. Great indignation has been aroused in the town, especially among the trading section, because hitherto all tenders for the purchase of this land have been met by the War Office with the statement that the site was required for military purposes. On five occasions overtures have been made by public bodies for the purchase of the site—by the Church of England for the erection of a church, by the General Post Office for post-office buildings, by the District Council for the construction of a recreation ground, by the County Council for the erection of a secondary school, and by the County Territorial Association for the erection of a drill-hall and headquarters, but in every instance "military purposes" have been assigned as a reason for refusing the request.

The Chamber of Commerce is taking action on the ground that the value of the site made it imperative that its disposal should be effected by public auction or open tender.—(THE TIMES, 7th December.)

* * *

HEAVILY RATED TOWNS

Comparative statistics of the rates levied in the 79 principal county boroughs (53 provincial boroughs and five London boroughs) are given in the annual return made by Mr. W. A. Davies, borough treasurer of Preston (says the TIMES). Twelve towns have total rates of 10s. or more in the £1, these being:—Norwich, 11s. 6d.; East Ham, 11s. 4d.; Merthyr Tydvil, 10s. 9d.; West Ham, 10s. 7d.; Ilkeston and Halifax, 10s. 4d.; Lowestoft, 10s. 3d.; Stoke, 10s. 2½d.; Rotherham and Leeds, 10s. 1d.; and Colne and Batley, 10s. Five corporations manage with less than a 6s. rate. Oxford is the lowest rated of 137 towns, with 4s. 8d. in the £1; Blackpool pays 5s., Bournemouth 5s. 3d., Eastbourne 5s. 8d., Belfast 5s. 10d., and Southport rates total 6s.

* * *

£130 AN ACRE FOR FARM LAND IN LANCASHIRE

Record prices for West Lancashire agricultural land were obtained at Ormskirk on June 1st, when a freehold arable farm, consisting of 17 acres, situate in Mairskough Lane, Lydiate township, midway between Liverpool and Ormskirk, was offered for sale by auction. The bidding opened at £1,000 and quickly rose to £1,600, the reserve figure, and was eventually, amid much excitement, knocked down for £2,200 to Mr. William Forsham, of Lydiate, formerly a farm labourer. The price is equivalent to £130 per acre, which it is said is a record figure for agricultural land in the whole of Lancashire.—(THE MANCHESTER GUARDIAN.)

* * *

RATING IN DUNDEE

Mr. A. W. Stiven, Police and Water Treasurer of the City of Dundee, giving evidence on November 2nd before the Government Commission to inquire into the raising of house-rents in industrial areas in Scotland, stated that prior to 15th May, 1914, the whole of the city rates proper were assessed on the occupier only, and that this anomaly was only removed by the passing of the Dundee Corporation Act in 1907, which resulted in the transference of 9½d. per £ from occupiers to owners for the year commencing at Whitsunday, 1914.

NEWS OF THE MOVEMENT

MANCHESTER LEAGUE

5, Cross Street, Manchester

On January 8th the Secretary addressed a large audience of operative cotton spinners at Atherton, when the usual resolution was carried with only one dissident. The supply of pamphlets taken to the meeting was not nearly equal to the demand, and it was arranged for a further supply to be sent for the next meeting. Also at meetings of railwaymen at Wrexham and Colne the resolution was carried with overwhelming majorities, and it was decided to forward the same to the usual quarters. Other meetings addressed are County Forum, Manchester (J. F. Kilgarry); Oldham U.M. Free Church (G. Wright); and Heaton Mersey Congregational Guild (A. H. Weller).

There was a good gathering of members on the occasion of the League's annual meeting, which was held at No. 5, Cross Street on January 21st, Professor Sydney J. Hickson presiding. By a happy coincidence Lieutenant (Dr.) Percy McDougall happened to be at home on leave, and he took the opportunity to meet his old friends and colleagues by attending the meeting. The Chairman alluded to the importance of keeping the League's organisation intact in order to deal effectively with the work in the future.

Lieutenant McDougall, who received a very warm welcome, expressed his pleasure at the work accomplished during the past year and at the financial position of the League at the year end. In his opinion the education of the organised workers was on the right lines.

Attention was drawn by Mr. C. W. Riley to the movement in co-operative circles in favour of land values taxation. This was to be seen in the columns of *The Co-operative News*, and he appealed to members to do all they could in that field. A proposal by Mr. E. Bates that a statement of principles should be printed was deferred to the next Committee meeting.

By a unanimous vote Professor Hickson was elected President for the ensuing year. Lieutenant McDougall was re-elected as Hon. Treasurer, Mr. H. B. Hobson again undertaking to act in that capacity during the doctor's absence. A vote of thanks to the Chairman terminated the proceedings.

ARTHUR H. WELLER, Secretary.

Annual Report, 1915

The war has greatly increased the need for land values taxation for the purpose of providing public revenue, and also to meet the menace of unemployment after the declaration of peace. But the growing need for the League's activities has been accompanied by new difficulties in the way of carrying on its work. Most of the ordinary channels for propaganda have been closed through the party truce; many of the League's most active workers have been transferred to other spheres of service through the war; and our local income from subscriptions has been reduced. But in spite of these difficulties much work has been done, and good results may be expected in due season.

Amongst other misfortunes brought by the war must be recorded the death of Mr. Sidney McDougall, who was killed in action at the Dardenelles. Mr. McDougall was a younger brother of Lieutenant (Dr.) Percy McDougall, and he gave generous financial help and personal service to the Manchester League. Great sorrow also came to the house of another esteemed colleague, Mr. E. Melland, who lost his son in France. These and other bereaved friends have the

heartfelt sympathy of all who know them through their connection with the Land Values movement.

In June a removal was made from No. 1, Princess Street, to new quarters at No. 5, Cross Street, Manchester. That, and dispensing with a telephone and office boy, resulted in a considerable saving of expenditure, and it was found possible, with the generous help of the United Committee and a few local friends, to maintain the League's organisation and work throughout the year. During the summer months meetings were held as usual in the Manchester parks and at street corners and crofts, the speakers being everywhere well received. At an unusually large meeting in Alexandra Park on September 26th, a resolution condemning taxes on wages and food, and demanding the taxation of land values, was carried without a dissident.

In September a circular letter was sent by the Secretary to a large number of trade unions in Lancashire and Cheshire and the surrounding country, offering to send speakers to their meetings to explain the League's method of paying for the war. That was followed by a second circular in October in which the offer was repeated, and organised workers were invited to accept the following resolution and forward it to the Prime Minister, the Chancellor of the Exchequer, and their local Members of Parliament:—

This meeting records its emphatic protest against the war taxes on wages and food, because they place an unjust and unnecessary burden on the workers. Recognising the great need for more public revenue, this meeting calls upon the Government to include in its next Budget a substantial tax on the value of all land, thereby using a communally-created fund for communal expenditure, and replacing the financial responsibility for the defence of our native land on the shoulders of those who own it.

This meeting also expresses its firm belief that the threatening danger of unemployment after the war can best be met by putting the natural resources of the country to better use, and asserts that the Taxation of Land Values would force more land into productive use in town and country, would therefore stimulate all branches of trade and increase the demand for every kind of labour.

These circulars were sent to railwaymen, miners, carpenters and joiners, engineers, cotton spinners and weavers, and other trade unions in this part of the country, and the response has more than justified the effort. Many applications for speakers were received, the majority of them coming from Branches of the National Union of Railwaymen. From the middle of September until the end of the year the resolution in the circular was adopted at thirty-one Trade Union Branch meetings, in nearly all cases being carried unanimously. Many of the meetings were held on Sundays, and the work of explaining the League's policy was shared by Messrs. Hobson, Ginders, and the Secretary. The audiences varied in size, from about a dozen to 150, and the interest aroused by the speakers has probably been stimulated by the reading of our literature afterwards—462 pamphlets having been sold at these meetings. Reports appeared in the trade journals concerned, and the work has been followed by letters from the Secretary, which were printed in *The Railway Review*, *Cotton Factory Times*, *Trade Unionist*, and *The Carpenter and Joiner*. In response to a subsequent letter to the Branches which adopted the resolution, six of them have since become affiliated to the Manchester League. This affords evidence that something more than a passing interest has been aroused by this work amongst the organised workers. No

more valuable educational work has ever been undertaken by the League. This fruitful, but hitherto somewhat neglected field, should be worked to the utmost of our ability in the future.

During the winter months a Reading Circle has met at the Secretary's house on Wednesday evenings, the book chosen for study in the present session being Henry George's **SOCIAL PROBLEMS**.

But besides these organised efforts to keep the flag flying, the persistent and unobtrusive labours of those devoted workers whose names seldom appear in reports must not be overlooked. The Manchester League is particularly fortunate in numbering many such heroes in its ranks. These good men have carried the glad tidings of economic justice to the workshops, the market places, and even into the military camp and the war area during the past year. Perhaps few of them realise the value of their self-sacrificing labours, not only in preparing the way for the establishment of justice, but also in encouraging and stimulating other workers to greater efforts.

However small the results of the past year's work may appear, there is consolation in the reflection that the utmost use has been made of every opportunity that presented itself, and that new opportunities, rich in possibilities, have been discovered and fully utilised.

ARTHUR H. WELLER, Secretary.

ENGLISH LEAGUE

376 and 377, Strand, London, W.C.

The **SURREY COMET** of January 1st reported a presentation to Mr. J. A. Marshall at Kingston-on-Thames, on the occasion of the annual meeting of the local branch of the National Land and Home League. Mr. Marshall, who is a member of our Executive and a frequent lecturer for us, is chairman of the branch, and has worked hard to secure allotments for his neighbours who were anxious to cultivate land in war time. Mr. H. J. Bullivant, another member of the Executive, has also taken an active part in the allotments movement in the Catford district.

Mr. George N. Barnes, M.P., a vice-president of the League, and a member of it since almost its earliest days, has been made a member of the Privy Council.

The Hon. Treasurer wishes to say a word of special thanks to several members who, in response to his appeal, have kindly promised to make, in addition to their ordinary annual subscriptions, special monthly donations to the League during the war. Three names have been added to the list during the past month.

The recent large increase in the volume of correspondence reaching the office seems to show that interest in the Land Question is reviving in spite of (or because of) the conditions brought about by the war. New members are joining the League, and many of the old ones are helping the cause by distributing our literature. One member, who recently joined a study-class on the Land Question, has done excellent work in the discussions at the class, and has even succeeded in interesting the lecturer in our question, which was evidently almost new to him. Selected publications of the League are now being distributed to the students. Applications for information and advice have been received during January from the leaders of two other study-classes.

The new pamphlet (the General Secretary's paper on "Land, Labour, and Taxation after the War") has already been widely distributed, both from the office and by individual members. One member bought 200 copies for distribution among labour men, and paid for another 200 to be sent out from the office. Special terms can be quoted

in quantities for distribution. The paper has been read and discussed on several occasions at meetings of other societies.

The General Secretary will read his paper to the Central Hackney Women's Liberal Association, 216, Mare Street, Hackney, on Tuesday, February 3rd, at 3 p.m.

Mr. H. J. Bullivant gave an address on January 30th at the Sunday Afternoon Conference of the United Methodist Church, Catford, on "A Nineteenth Century Prophet" (Henry George).

In the unavoidable absence of Mr. Andrew MacLaren, Mr. F. C. R. Douglas, M.A. (of the United Committee), read a very interesting and informative paper at the Quarterly meeting of the Central Council of the League (January 24th), on "Economic Thought and the Present State of Civilisation." An excellent discussion followed.

The Harlesden Branch of the League will continue its weekly meetings during February, as under:—

- Feb. 4.—Fredk. Verinder, "Smallholdings."
- " 11—Thomas Watts.
- " 18.—Councillor Taylor, "Europe after the War."
- " 25.—J. A. Marshall, "Some Functions of Government."

The meetings are held on Fridays (8.15 p.m.) at Mr. J. McCulloch's, 89, Wrotesley Road, Furness Road, Harlesden.

FREDK. VERINDER, Gen. Sec.

SCOTTISH LEAGUE

67, West Nile Street, Glasgow

The decision of the House of Lords in the Lindean case practically brings to an end the usefulness of the Small Landholders (Scotland) Act, 1911. Where smallholdings are set up under the compulsory powers given by the Act compensation must be given, not only where the proprietor suffers loss of rent (if any), but also for depreciation in the saleable value of the estate. In this particular case, where twelve smallholdings were to be set up, the compensation under this head was fixed by the arbiter at £3,850. It will readily be seen that the income of the Board of Agriculture for Scotland will not run to creating many small holdings at this price, let alone all the other expenses that must be incurred. This Act will not re-populate the Highlands and Islands of Scotland as its apologists hoped. Maybe its supporters will admit now that the proper plan is not to compensate the landlords, but to tax and rate them on the selling value they set upon their lands. They will be ready enough to come to terms with would-be smallholders if that were done.

GLASGOW VALUATION.—The City Assessor (Mr. Alexander Walker) has issued a statement showing the total valuation of the burgh of Glasgow for the year 1915-16 as contained in the valuation rolls (excluding new lands and heritages, which will appear in the supplementary roll when it is prepared). The statement shows that the Glasgow Boundaries Act, 1912, added to the valuation of the city a sum of £1,305,277, and that for the year 1912-13 (the first of the extended city) the total valuation was £7,307,672. In the following year it rose to £7,472,675, while in 1914-15 it amounted to £7,553,601. For the current year the figures show an increase of £13,491 over the preceding 12 months, the total being £7,567,092.

The late City Assessor estimated that the value of the land worked out to fully 50 per cent. of the combined value of land and buildings, which means that the annual value of the land which Glasgow occupies figures out to £3,783,546. On this estimate, if the burden of the local rates were to fall exclusively on the "communal value" of the land, there would still be something left—a decent-looking nest egg—for the Chancellor of the Exchequer.

The weekly meetings were resumed on January 7th with an address by Mr. Wm. Macdonald on "Patriotism and Humanity," and on the 14th by Mr. Charles E. Collier on "The Science of Tyranny"; on the 21st a general discussion, and on Friday, 28th, Mr. F. Scopes gave an address on "Mill on Liberty."

Mr. John L. Carvel continued his classes during the month at Alexandria and Dumbarton, and reports that 65 copies of "Progress and Poverty" and many pamphlets have been put into circulation.

JAMES BUSBY, Secretary.

WELSH LEAGUE

98—100, Queen Street, Cardiff

Particulars of meetings held at the time of writing are as follows:—

- Jan. 3.—Pentre and District Trades and Labour Council.
 „ 16.—Barry Trades and Labour Council.
 „ 23.—Rogerstone Branch of the N.U.R.

At the above meetings resolutions calling upon the Government to make the necessary arrangements for the imposition of a National Tax on Land Values were passed unanimously.

The Barry meeting was addressed by Mr. Andrew MacLaren, of the United Committee, and several of the delegates present expressed themselves desirous of getting their respective Unions to pass a resolution in the same terms as that passed at the meeting. With this end in view, the Secretary of the Council has been supplied with a good number of printed copies of the resolution. It is hoped that many of the Unions represented will adopt the resolution and get same forwarded to the proper quarters. The usefulness of the meeting was augmented by the report of same given in the BARRY HERALD.

We are in correspondence with more labour bodies, and it is hoped to fix up other meetings in the coming month.

EUSTACE A. DAVIES, Hon. Sec.

YORKSHIRE AND NORTHERN LEAGUE

71, North Street, Keighley

The following is a list of meetings addressed by our speakers:—

1915.
 Dec. 20.—F. Needham, St. Paul's Men's Club.
 1916.
 Jan. 6.—A. W. Dakers, Durham Miners Association (Tanfield Lea Lodge).
 „ 9.—F. Skirrow, Normanton Branch, N.U.R.
 „ 9.—F. Skirrow, Keighley I.L.P.
 „ 10.—E. P. Ward, Leeds.
 „ 16.—F. Skirrow, East Ardsley and Thorpe I.L.P.
 „ 16.—F. Skirrow, North Ward, Leeds I.L.P.
 „ 19.—F. Skirrow, Ingrow Women's Co-op. Guild.

The speakers at all these meetings met with a very hearty reception, and resolutions urging the Government to adopt the taxation of land values were carried.

F. SKIRROW, Secretary.

LIVERPOOL LEAGUE

5, Lace Street, Liverpool

The members of the above League have held meetings every week during 1915 in McGhie's Cafe, 56, Whitechapel, Liverpool. Owing to the call of military duties in the case of some members, and pressure of business and other causes in the case of others, the attendance has fallen off, and it has been decided that we meet in McGhie's Cafe on the first

Thursday in each month. The death has recently taken place at Liverpool of Dr. Commins, one of the leaders of the Irish Land League Movement, who presided at the meeting addressed by Henry George in Liverpool in 1884.

M. KAVANAGH.

UNITED COMMITTEE

Last month we printed the circular letter which has been issued by the United Committee to trade unions and other labour organisations. This action and similar efforts undertaken by the Leagues throughout the country has met with a very encouraging response. The following meetings have been addressed during January by Mr. A. McLaren; Surbiton I.L.P.; Neasden Railwaymen (two meetings); and Barry Trades Council. Mr. F. C. R. Douglas addressed the Acton and Ealing Railwaymen and Fulham Trades Council. At all these meetings resolutions demanding the imposition of a tax on land values to pay for the war were unanimously and enthusiastically agreed to. The keen interest in the taxation of land values and willingness to assist our campaign was a notable feature of the meetings.

Among other societies that have adopted resolutions on the taxation of land values are: Cardiff Railwaymen (No. 3 Branch); the Durham Equitable Co-operative and Industrial Society; Sunderland (No. 2) Railwaymen; Rogerstone (Mon.) Railwaymen and the Harlesden Women's Co-operative Guild.

Our campaign has been well reported in the Trade Union Press and in the local newspapers. The following report from the SOUTH WALES DAILY NEWS of January 16th may be quoted as an example:—

Yesterday at the Dockers' Hall, Barry Dock, Mr. A. MacLaren, of the United Committee for the Taxation of Land Values, addressed a meeting of representatives of Trades and Labour organisations affiliated to the Barry Trade and Labour Council. Mr. W. East presided.

Mr. MacLaren said it had surprised him to find the Trades Union Congress accepting without the slightest objection the statement of Mr. McKenna that he wanted working men to save money now in order to do something for their wives and children when out of work at the end of the war. They had the problem of increased taxation, increase in the cost of living, and frightful unemployment. Almost half the land in the kingdom was kept out of use, and was unproductive. In the face of this, he asked why should men at the end of the war be unemployed if there was sufficient land to set them to work on? There should be no unemployment after the war if Trade Unionists took up this question. (Cheers.) As Trade Unionists they should demand that instead of the further taxation of necessities they should ask the Chancellor of the Exchequer to redeem the promise made in 1910 to levy taxation on the value of the land of this country ascertained through the Budget of 1909. (Cheers.)

A resolution calling upon the Government to complete and bring up-to-date the 1909 Finance Act valuation as a basis for imposing a national tax on land values at the earliest possible moment was carried.

We may also quote the following report from Neasden No. 1 Branch of the N.U.R. appearing in the RAILWAY REVIEW of January 14th:—

"Mr. Andrew McLaren, of the taxation of land values, attended and addressed the members in fine style, the members being spellbound at the startling figures he quoted from the official white paper. He proved his case to the hilt that a great change in our present system of land taxation was necessary. A resolution supporting this committee was carried unanimously, and secretary instructed to forward same to the Prime Minister, Chancellor of the Exchequer, our three railway M.P.'s, also our local Member, Mr. Mallaby Deeley, M.P. An opportunity will be afforded our opposite turn men at the next meeting, when Mr. McLaren has promised to give a repetition of his mastery on this subject."

COLONIAL AND FOREIGN

NEW SOUTH WALES

Single Tax Victory at City of Sydney Elections

We have received the following interesting letter from Mr. A. G. Huie, Secretary of the Land Values League of New South Wales:

"Under separate cover I am forwarding you samples of the printed matter which we used in the recent campaign for rating on unimproved values in the City of Sydney. The Flinders Ward leaflet is typical of leaflets brought out in six of the City wards. In each case local particulars had to be obtained. The Bourke Ward leaflet, apart from my circular to the electors, was used in Bourke, Lang, and Macquarie Wards. We circulated many thousands altogether, and held many meetings. We wrote letters to the press, many of which unfortunately never saw the light of day. We questioned the candidates where necessary, and generally made ourselves as much in evidence as possible.

"In the old Council there was a majority of four against us; now we have a majority of four in our favour. We succeeded in defeating the Lord Mayor of Sydney; Ald. McElhone, Chairman of the Finance Committee; and Ald. Lawrence, while the fourth man came round to our way of thinking, and promised to support rating on land values in future. I am very hopeful that next year Sydney will impose all its rates on unimproved capital values. It will then be the biggest City in the World taxing entirely on land values for local purposes.

"In Bourke Ward, where I was a candidate myself, I personally circulated 5,000 of my circulars and the Bourke Ward leaflets. It is the financial section of the City, and the vote is chiefly a business one. It is very Conservative. Owing to the system of voting I had to get a man to stand with me, as each elector must vote for two candidates, and if I did not do that every one of my supporters would have had to give one vote to an opponent. Mr. Daking-Smith stood with me, but we were defeated by about three to one. The contest aroused considerable interest and good educational work was done. It also had a beneficial effect upon the contest throughout the City."

We may remind our readers that the City of Sydney is only a portion of the Metropolitan area, as there are a large number of suburban municipalities. In 1912 the City of Sydney levied a penny rate on land values and raised £100,700 thereby, the remaining £226,000 being raised on the basis of annual value. The suburban municipalities raised £444,200 in rates, of which £441,500 was derived from rates on land values.

We have much pleasure in reprinting one of the leaflets referred to by Mr. Huie. It runs thus:—

THE PRESENT "CITY" RATING SYSTEM.

The Rating on Annual Values is **lightest** on slum properties and **heaviest** on highly improved properties.

It encourages land speculators to hold land idle and to keep slums.

It is a very serious burden upon those who erect modern buildings.

It restricts the amount of employment available for architects, builders, tradesmen, carters, and labourers.

It deprives business men of trade, which use of land always provides.

It forces up rents; as rates upon rental values are a tax, upon the occupier.

It has been discarded by every municipality in the State except the City.

Therefore give one **vote** to A. G. HUIE and Rating on Unimproved Capital Values.

RATING ON UNIMPROVED VALUES.

Rating on unimproved values means the same rates, whether land is highly improved or vacant.

It will promote efficient use of land and penalise the vacant lot and slum industry.

It will remove an unjust burden from the shoulders of owners of up-to-date buildings.

It will increase the demand for the services of architects, builders, tradesmen, carters, and labourers.

It will benefit business by increasing the demand for all classes of building materials.

It will operate to reduce rents, first by lessening the rates on good buildings, second by increasing the supply of buildings.

It has been generally adopted throughout the State outside the City.

Therefore, give **one** vote to A. G. HUIE and Rating on Unimproved Capital Values.

THE LAND AND THE PEOPLE.

The number of landowners in Bourke Ward is under 350. The unimproved value is £6,646,946.

The number of owners, leaseholders, occupiers, and lodgers on the roll is over 4,300.

The number, in addition, who live or who work in Bourke Ward is very much larger.

The value of land is a public or communal value, every person contributing his or her quota to it.

This public or people value of the land is the proper source of revenue for city purposes.

VOTE FOR A. G. HUIE AND RATING ON UNIMPROVED VALUES

SOUTH AUSTRALIA

The taxation proposals contained in the Budget speech recently delivered by Mr. Crawford Vaughan were very disappointing to true reformers, says the *STANDARD* (Sydney), as they did not give full effect to the platform upon which the Labour party were elected to office. The income tax proposal contained in the printed policy provided for increasing the exemption from £200 to £300, whereas Mr. Vaughan's speech was to reduce it to £156. Additional stamp duties were proposed, a super tax on incomes, an increased tax on totalizer investments, a tax on motor cars, with the one redeeming feature of an additional half-penny increase in the tax on land values. About one-fourth of the extra revenue was to be raised from land values, the other three-fourths by a charge upon industry. And these proposals are from a Labour Government which professes to believe that land values belong to the community, and that the producer is entitled to the full product of his labour. The reason given by the official organ of the party for this scheme of taxation is that the people are not yet educated up to that standard which would enable them to appreciate more taxation of land values. It was in 1884 that South Australia led the van with a half-penny tax, and despite the fact that labour has been in practical politics for over 20 years, the half-penny tax has not yet been increased to one penny.

The stamp and motor car duties have passed, but the Legislative Council have twice rejected the other proposals. The Government has not sufficient courage to fight the Council, and has decided to make good the shortage in the revenue by increasing freights and fares on the railways—a proposal that will bear very hardly on country producers. The Labour Party have thus entirely abandoned the platform which put the Vaughan Government into power.

"THE CO-OPERATIVE NEWS" ON TRADE WAR

Several months ago we commented adversely upon Mr. H. G. Wells' suggestion that, at the conclusion of the war, we should embark on a supplementary war against German commerce. It now seems that this idea has been definitely adopted by the Government as a national policy. Mr. Runciman, who is President of the Board of Trade, and who is, or was, a Free Trader and a member of a Free Trade Government, stated in Parliament, in reply to Mr. Hewins, who is the economic apostle of protection, that the Government intended to undertake a trade war against Germany with the avowed object of crushing the economic position of Germany, so that even after the war, she would, economically, never be allowed to lift up her head again.

Now, in putting ourselves in opposition to such proposals, we do so for two reasons. First, that to continue the war after the war is finished, by inaugurating a policy of commercial repression, will be to perpetuate hate between the nations, and inevitably to sow the seeds of a new Armageddon, a new harvest of war, which will be reaped in blood and tears by our children or our grandchildren.

Our second reason for opposing these proposals is that economic war is a two-edged weapon, which, if we wield it, may turn against us to our discomfiture. Sir Edward Carson, speaking on this subject the other day, and referring particularly to Free Trade, said we must give up our party shibboleths. We are quite in agreement with Sir Edward up to a point. If an economic policy is advocated merely because that policy has been adopted by one political party, and not from conviction that that policy is a sound one, then by all means abandon such party cries. And Free Trade has doubtless been advocated in the past by people who have not been intellectually convinced of its necessity. But, brushing aside such immaterial partisans, there are those of us who really do believe that Free Trade is a policy which is vital to the maintenance of our commerce. And it would be a poor sort of game, just for the sake of penalising Germany, to cut at the roots of the tree of our own prosperity. We do not want to cut off our own nose to spite somebody else's face.

Of course, underlying all such proposals of an economic war with Germany, is the argument of fear. People are afraid that unless Germany is deliberately held down after the war, her commerce will once more grow to so great an extent that she will be rich enough to risk another great European war.

But a policy dictated by fear often brings home to roost the thing most feared. It was the very precautions taken by the parents of the sleeping beauty to avoid the fulfilment of the curse upon their daughter that brought the curse to pass. As it was in the fairy tale, so it often is in real human affairs. The best way to ensure being bitten by a savage dog is to be afraid of him. His instinct tells him you are afraid, and he prepares to bite you with all the more confidence.

Moreover, it is eminently possible that the steps taken to keep Germany down commercially would end in making her still more formidable in war. The weak point in Germany's armour in this war is the fact that she is not self-supporting. That fact, and our command of the seas, is bringing Germany and Austria near to famine. It will very likely be the fact which will end the war.

But the policy indicated by Mr. Runciman would, if successful, compel Germany and Austria to so organise their resources that in the future they could be practically independent of outside supplies. Germany has shown in the field of industry a wonderful organising power. In the past that has mainly been directed to achieving success in the export trade. If the Allies, triumphant on the battlefield, pursued a commercial war against the Central Powers with a view of preventing the revival of the German export

trade, it would, if successful, result in forcing the German faculty for organisation to face the problem of making a living for their millions out of the internal resources of Austria and Germany. That they would succeed in so doing is hardly open to question. Combined with their organising power is their scientific resourcefulness, and these two things combined could turn Central Europe into a practically self-supporting country. Some things, of course, they would have to import—cotton, rubber, and the like; but it is quite possible that science may find substitutes for these, and, in any case, no policy of outside repression could altogether kill German foreign trade. The result of forcing into existence such a self-supporting Germany would be that, in a future war, Germany could snap her fingers at our sea-power, because we had forced her to organise her industry in such a way as to be independent of outside supplies. Beyond the military aspect of the case, we come back to that economic truth which, in the hatred engendered by war is apt to be overlooked, that international trade benefits both the importer and the exporter.—(Leading article in *The Co-operative News*, January 22nd.)

THE LAND TENURE SCANDAL

The perverted nature of the speeches of politicians may be judged by a comparison of the fees received by lawyers on an average, and the wages paid, individually, to the labourers on whose shoulders the entire burden of the country's economic existence depends. Would anything but the sophistry of the lawyer continue to support a system of land tenure that admits the appropriation by a few thousand landlords of the entire land values created by the millions of people of the country to whom nature gave the soil. Is it not the most arrant hypocrisy to call people free who are denied access to the storehouse of nature, without which life is impossible, except by the leave of those who have deliberately robbed them of their birth-right? Professor Fawcett, the political economist, calculated years ago that the ground values of England were worth a capital sum of £4,500,000,000, a figure more than twice as large as the present national debt, and this capital sum has since been considerably enhanced by the increased population, and the progress in inventions, arts, &c. Nature's decrees demand that land values which have been created by the people belong to the people, and should be resumed by the people, and until this is done it is idle to talk of liberty, and the justice of the laws of the country, and it is monstrous to suppose that the people who are now being brought to question the infallibility of those in high places will continue to support in idleness and luxury a class that has never ceased to plunder them.—(The *Financial Mail*, January 9th.)

As we go to press we regret to learn of the death of Mr. Henry Andrews, of Melbourne. Mr. Andrews had been in failing health for some time. He was a staunch supporter of the work of the United Committee, and by correspondence showed a constant interest in the movement both here and in Australia. Mr. Andrews on his last visit to Great Britain in 1911 was in attendance at the Glasgow Conference, where he made many friends, and saw for himself the strength and force of the agitation, which he thought had been well maintained and directed. He was a lovable character, and brought to the conversations and decisions of his colleagues a warm-hearted enthusiasm and breadth of view which won for him universal respect and attachment. In his death the movement in Australia has lost a devoted supporter and the cause of progress a loyal and disinterested and public-spirited citizen. We join in sincerest sympathy with Mrs. Andrews and family in their bereavement.

QUESTIONS AND ANSWERS

[The following answers to questions are based on the Answers to Typical Questions in "The Taxation of Land Values" by Louis F. Post. Some, however, are new and others are altered.]

Q. Under the taxation of land values could employers cut wages to the starvation point?

A. No. It is the "over-supply" of labour that makes starvation wages possible, and the taxation of land values would abolish that, not by reducing the supply of labour, the Malthusian idea, but by allowing the effective demand for labour to increase freely. Labour can only be employed upon land, and the way to make labour scarce and dear is by making land cheap and plentiful.

Q. Even if the taxation of land values were in operation would not millionaires be able to corner products?

A. Products cannot be cornered unless land and labour are cornered. At the first sign of a rise in any product free labour would turn towards its reproduction, and this fact alone would discourage all attempts at making corners. Labour is not now free to do this because it is hindered by landlordism.

Q. Is not the money monopoly worse than land monopoly?

A. No. If one man owned all the land nobody could keep money without his permission; but if one man owned all the money, land being free, the money monopoly would soon end.

Q. Why does land tend to concentrate in the hands of a few?

A. Because increase of population and speculation tend to increase its value.

Q. Does not the growth of a community increase the value of other things as well as of land? For example, does it not add to the profits of professional men?

A. Assuming that the growth of a community primarily tends to increase profits, the increased profits in turn tend to attract men there to share them. This intensifies competition and tends to lower profits. At the same time it increases the demand for land and tends to enhance the value of that. The average income of professional men of the same degree of skill is no higher in a large city than in the country.

Q. Is there any land question in places where land is cheap? In country districts one may get land for a few shillings an acre; is there a land question there?

A. There is no place where land is cheap in the sense of the question. Land commands a low price in many places; but it is poor land, not cheap land. The cheap land you refer to will not yield any more profit per unit of labour and capital expended on it than land in the City of London, which costs hundreds of thousands of pounds an acre. The land question is *the* question in every place where land is held out of use and the price of it inflated above the natural level.

Q. What is the difference between speculation in land and in other objects?

A. If all the products of the world were cornered by speculators, but land were free, new products would soon appear and the ill effects of the speculation would quickly disappear. But if all land were cornered by speculators, though everything else were free, the people would immediately and thenceforth be dependent upon the speculators for a chance to live. That illustrates the difference.

Q. Is not the right of ownership of a gold ring the same as the ownership of a gold mine? And if the latter is wrong is not the former also wrong?

A. No. To own the source of labour products is to own the labour of others; to own what you produce from that source is to own only a product of your own labour. Nature furnishes gold mines, but men fashion gold rings. The right of ownership differs radically.

Q. Is it true that men are equally entitled to land? Are they not entitled to it in proportion to their use of it?

A. Yes, they are entitled to it in proportion to their use of it; and it is this title that the taxation of land values would secure. It would allow everyone to possess as much land as he wished, upon the sole condition that if it has a value he shall account to the community for that value and for nothing else. All that he produced from the land above its value would be absolutely his, free even from taxation. The Single Tax is the method best adapted to modern times and orderly social conditions for limiting possession of land to its use. By making it unprofitable to hold land except for use, or to hold more than can be profitably used, it makes the best distribution of land certain.

Q. If land and labour are equally indispensable factors of production, why are they not equally entitled to the product?

A. The labourer justly owns the product of his labour; but the landowner cannot justly own his rents. The question is not one of the relative rights of men and land, but of men and men.

Q. How can it be possible that speculative land values cause business depressions when, as any business man will tell you, the whole item of land value is one of the smallest items in every business?

A. You overlook the fact that the item of speculative rent is the only item that the business man does not get back again. The cost of his goods, the expense of wages, the rent of his building, the wear and tear of his instruments are all received back in the course of normal business in the prices of his goods. Even his ground rent to the extent that it is normal (*i.e.*, what it would be if the price of land were determined alone by land in use, and not affected by the land that is held out of use for higher values) comes back to him in the sense that his aggregate profits are that much higher than they would be where ground rent was less. But the extra ground rent that he is forced to pay in consequence of the abnormal scarcity of land is a dead weight; it does not come back to him. He cannot recoup his excessive ground rent until the true value of his land rises to the level of its speculative value. Therefore, even if small in amount as compared with the other expenses of his business—and this is by no means admitted—it is the one expense that may break a thriving business down. Besides, the weight of abnormally high land values presses upon business in general, and by obstructing the flow of trade presses the weaker business units to the wall. It is not quite safe to deduce general economic principles from the ledgers of particular business houses.

Q. Would you let money escape taxation and so favour money lenders?

A. It is a curious fact that this question is most popular among people who clamour for cheap money; and yet to tax money lenders is to discourage money lending and to increase interest on loans. Yes, we should let money escape taxation, as we do now. We should exempt it for the reason that a man's money is his own and the community has no right to it, while a man's land value is the community's and he has no right to it. This would not favour money lenders in any invidious sense. It would favour lenders by making their loans more secure, and borrowers by enabling them to borrow on easier terms.

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Twenty-Second Year—No. 262.

MARCH, 1916.

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Telegrams: "Eulav, Vic., London."

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NOTES OF THE MONTH

The Departmental Committee on Land Settlement

The main feature of the first part of the final report of the Departmental Committee on the settlement or employment on the land in England and Wales of discharged soldiers and sailors is the proposal for an extensive scheme of State purchase of land and a large expenditure of capital by the State for its equipment and development. It is proposed that the rents of the smallholdings should be sufficient to recoup the capital outlay and the cost of management, except the salaries of the resident staff and the cost of preliminary training, but no sinking fund for the repayment of the purchase price of the land should be charged. The Committee recommend that in the first instance a sum of £2,000,000 should be appropriated, and they consider that this sum would be "sufficient to provide for at least four or five thousand families, including a proportion of unmarried men."

There is no essential difference between what is proposed in this report and what has already been tried under the Smallholdings Acts. Just as those Acts have proved unsound and inadequate in practice both in England and in Scotland, so would this scheme. The only result will be high prices paid to landlords out of taxation borne by the mass of the people. The smallholders will not be able to make a living unless subsidised and assisted by the State. How can they when it has been so difficult to make a living on a smallholding hitherto? This scheme will not make it any easier in the future, for the price of land will be no less, nor the rates and taxes, nor any other expense; indeed the cost of the land will be more, for we all know what happens when the State becomes a purchaser.

The proposals of the Departmental Committee mean one of two things. Either the smallholders are to be artificially subsidised, in which case there may be

a large demand for holdings and a correspondingly heavy burden imposed on the already over-burdened taxpayers; or the smallholders must pay in full for every advantage they receive, in which case they will find it just as difficult to make a living as if the State had not come in at all, and nothing worth speaking of will be done. The latter result is the more likely, as the Committee seem only to contemplate the State bearing a few minor charges. In whichever way the thing works out in practice we shall be no nearer solving the land problem.

The land question means giving people the opportunity to make a living by letting them have access to land free from all burdens of monopoly—rents and rates and taxes on their industry. It involves making the owners willing to come to terms with their tenants, indeed anxious to get tenants, not giving the owners whatever terms they demand and in fact increasing their power to ask a high price as the Committee's proposals involve. This is the real land question and it is still untouched.

Land for Soldiers.

The plan outlined in the report on the settlement or employment of soldiers on the land may be termed a scheme for the benefit of soldiers, but it is of the pre-war kind, making sure that the landlords' interest shall be duly recognised. It is the same old deal in land. In plain and simple language it means that the soldiers disabled in the fight for their native land may not have a plot of it to cultivate, except at a price.

It is evident that the report was framed on the clear understanding that it was not in the bond that the war should alter or modify the land laws. Personal liberty, wealth, flesh and blood itself, have had to

surrender to this great crisis. The land system must not be asked for any sacrifice. If the disabled soldiers want land then the State must purchase what is wanted. The State in this connection is not much of an abstraction: it is the taxpayers. They are by way of spending lavishly just now £5,000,000 a day, more or less, so what does it matter if a paltry million or two is handed over to the landlords for a patch of ground, especially when the ground is to be occupied by the men who fought for it.

It is about time the Land Values Group were getting together to voice the need for radical land reform. The tariff reformers have put the free traders on the defensive, and it looks as if the landlord party in the Commons were going to do likewise with the land reformers. The circumstances of the war have played into the hands of the reactionaries. It is worse than futile to reply with negative criticism. Those who stand for reform must put forward a positive policy.

The need for revenue and for additional sources of revenue is urgent. It overshadows every Government undertaking, and all kinds of schemes are afoot to enable the Government to keep going. Why is it that there is so little heard or said about approaching the communal value of land for even a modest contribution? We can in a way understand and account for the attitude of the Government, but what is the meaning of this silence on the part of Members of Parliament pledged to the hilt to advance this policy? The public mind is naturally given up to the affairs of the war; but the question of paying for the war is not outside the scope of parliamentary effort: on the contrary it is a very real and vital part of the discussion. Why then, we ask, should the question of taxing land values be so persistently ignored?

The Group has indicated to the Government what is needed by way of machinery and otherwise to provide for a tax on land values, and the arguments for opening up the land by this method are as widely known as they have been clearly stated by the politicians. The plain statement presented by the Group has been officially received and acknowledged. But is the matter to rest there? The facts of the case are notorious. Every nook and corner of the commerce and industry of the country has been explored for additional revenue. The value of the land is held immune. It is as if no one had ever heard of the subject or said anything about it; as if the past five years' investigation of the land valuation department had been done to keep someone in employment, or had taken place in some far-off country across the sea. The time is ripe and the opportunity is here for a direct tax on land values.

Land Monopoly in Finland.

A correspondent draws our attention to the following passage in *FINLAND AND THE FINNS*, by Arthur Reade (p. 63):—

Not only the tariff, but also high rents, make things dear. The average rent per room is about £20. This is due partly to the fact that Helsingfors is growing, and lies on a not very large peninsula, but also to the violent speculation that has been going on in land and buildings, forcing prices up.

A more concise and convincing illustration of the evils of land monopoly could scarcely be found. Even

in London or Glasgow rents are not so exorbitant as they evidently are in this small city of Helsingfors. Probably the conditions there are partly accounted for by the existence of a tariff. That is a point deserving of consideration by those who are endeavouring to start a new protectionist agitation in this country.

The Labour Party and Taxation.

At the fifteenth annual conference of the Labour Party, held at Bristol on January 28th, the following resolution submitted by the Independent Labour Party, was adopted unanimously:—

That in view of the enormous financial cost of the present war, the impoverishment of the nation which will result therefrom, and the industrial and commercial depression which will follow, this conference expresses its strong opinion that the steps so far taken by the Government to finance the war are inadequate and unsound; that the method of meeting the cost by resorting to the practice of borrowing on such a large scale is evading the needs of the present by placing a crippling burden on the future; that the imposition of large additions to the taxes on food is unjust and oppressive to the poor; that the lowering of the income tax limit with the accompanying anomalies and hardships is indefensible; and that the departure from the principles of Free Trade is a return to the vicious system of Protection which, once begun, is likely to extend and become an additional means of capitalist exploitation and a serious handicap to industry and trade.

This conference, therefore, declares that the cost of the war should, as far as possible, be met from current revenue to be obtained by:—

- (i) The heavier graduated taxation of all large incomes;
- (ii) A special tax on land values;
- (iii.) An increase in the estate duties on large estates;
- (iv.) The taxation of capital on a justly graduated scale;
- (v.) The acquisition by the State of the railways, mines, shipping, banking and insurance;

and this conference requests the Labour Party to press for these methods of financing the war, so as to avoid unnecessary hardship on industry and commerce, and to make the work of economic reconstruction and social reform after the war less difficult.

Without discussing the merits or consistency of the other financial proposals made in this resolution, we can heartily congratulate the Labour Party Conference on having put on record for the first time and unambiguously its support of the direct taxation of land values. The Labour Members in the House of Commons have in the past loyally supported any practical step in the direction of a tax on land values. The time has now come when they must do more than that; they must press for the adoption of this policy. The Land Values Group is now engaged in impressing on the Government the urgency of including in the coming Budget a tax on land values. The Memorial on War Finance presented by the Group to the Prime Minister and the Chancellor of the Exchequer (which was printed in our February issue) is in the hands of the Labour Members, and they should unite with the Group in urging that the Government act on it at once. They are now in the position to say to the Government: This is what our supporters desire and have unambiguously agreed to; and we demand that this policy be adopted now and embodied in your next Budget.

If the Progressive parties fail to secure a measure of the taxation of land values, then there remains only the alternative of Protection. The Bristol Conference resolution itself points out that Protection means

"exploitation and a serious handicap to industry and trade." The Labour Party seek to avoid this calamity, and to do so they must make common cause with the Land Values Group immediately. Together they can force the Government to listen to their demand.

The Revival of Protection.

The report of the Sub-Committee of the Advisory Committee of the Board of Trade with respect to securing the position after the war of certain branches of British industry is, apart from the reservation by Sir Albert Spicer, mainly a protectionist document. The Sub-Committee recommend, for instance, that all articles manufactured abroad should have that fact stamped on the article itself and not on the package as is now allowable in some cases. "The representatives of the jewellery trade urged that such marking should be extended even to small articles such as rings, and in the case of glassware it was suggested to us that the marking should be on the glass itself, the slight resultant disfigurement being, of course, not objectionable from the point of view of British manufacturers." That sums up the whole spirit of protectionism: to succeed by imposing an artificial handicap on your competitor, not by excelling in your own manufacture.

The object of this committee and the witnesses that appeared before it is not so much to remove "the existing handicaps under which British industries labour when in competition with foreign producers" as to suppress that competition altogether. If they had wished to remove the existing handicaps to British industry, there should have been some mention of our existing system of land tenure and taxation and how they handicap industry at every turn. But there is no mention of this; the Committee do not wish to upset the vested interests which now prey upon industry, they wish to create more vested interests. In fact all the proposals with regard to trade marks, patents, transport and other matters are, to quote the report, "all regarded as of secondary importance in comparison with one question, and that is the possibility or otherwise of tariff protection after the cessation of the war." The war, in fact, having given the manufacturers a taste of protection in shutting off imports from enemy countries, their appetite for artificially high prices is whetted and they are determined to have more of this. The interests of the consumer, the interests of the general public, have no claim for consideration; they are not mentioned except in Sir Albert Spicer's reservation. It is their own profit that these protectionists have in view, now as always.

Free Trade more than Free Exchange.

In the course of an article on "Protection next: How to meet it" in the DAILY NEWS (February 15th) Mr. W. C. Anderson, M.P., writes: "For my part, I have never been an orthodox Free Trader. Free Trade has been too closely associated with commercialism of the Manchester School; it has been abundantly proved that Free Trade system and Protectionist system are alike unable to cancel the gravest errors in wealth distribution." It is quite true that under Free Trade as we know it in this country the distribution of wealth is horribly bad, but that is not due to Free Trade; it is due to the lack of Free Trade. Mr.

Anderson should be quite well aware that the policy of Free Trade can be carried to a much wider field than the limited one in which it now operates. Even in the body whom he reproaches with the name of the Manchester School there were many men who saw that the logical outcome of Free Exchange must be freedom of production.

Cobden himself said that he hoped to see petitions to the legislature calling upon them to revalue the land, that there should be "a total abolition of all taxes upon food, and we should raise at least £20,000,000 a year upon the land." In his last public utterance Cobden said that there should be a league for Free Trade in land, and he added that "if you can apply Free Trade to land and to labour too . . . then, I say the men who do that will have done for England probably more than we have been able to do by making Free Trade in corn."

The True Principle of Free Trade.

Free Trade is not a dead system, but a living policy which must have a much wider application than it has yet attained anywhere. The work of upholding the true principles of Free Trade has fallen into the hands of others than those who appear to be the exponents of the ideas of the Manchester School. Mr. Anderson and many others in the labour movement seem to forget that Henry George long ago explained the reason why freedom of exchange has not brought to the toiling masses the benefits that might have been expected from it. Speaking of the various reforms which may be brought about, Henry George says:—

If the all-sufficient cause of the impoverishment of labour were abolished, then reform in any of these directions would improve the condition of labour; but so long as that cause exists, no reform can effect any permanent improvement. Public debts might be abolished, standing armies disbanded, war and the thought of war forgotten, protective tariffs everywhere discarded, government administered with the greatest purity and economy, and all monopolies, except the monopoly of land, destroyed, without any permanent improvement in the condition of the labouring-class. For the economic effect of all these reforms would simply be to diminish the waste or increase the production of wealth, and so long as competition for employment on the part of men who are powerless to employ themselves tends steadily to force wages to the minimum that gives the labourer but a bare living, this is all the ordinary labourer can get. (PROTECTION OR FREE TRADE, Chapter XXV).

When these facts are borne in mind we shall easily see that the weakness of Free Trade is that it has not been carried far enough. It has been restricted to the field of exchange instead of being extended to the field of production. Free Trade in all its completeness means that the workers must have free access to the land, the source of all wealth. Then and then only will they be free to demand the full reward of their labour, instead of being driven by forced competition in a limited field to accept the lowest wages that a man can live upon.

The Alternative to Protection.

All this should be perfectly plain to any one who cares to reflect, and especially should it be plain to one who has had to practically examine labour problems and who must have discovered that the great difficulty

in raising wages is the apparent over-supply of labour. But what do we find Mr. Anderson saying?

At the end of the war the country will carry an additional debt of some thousands of millions; probably the only alternative to the drastic conscription of wealth is tariff reform and indirect taxation by which the rich will be made still richer and the poor still poorer. Hence the protectionists are apparently obliged to gamble in stakes that may easily destroy them; certainly the struggle will not be between Tariff Reform and what they call orthodox Cobdenism.

But the alternative to Protection is not "drastic conscription of wealth" but an extension of the principles of Free Trade in the direction of freeing all forms of trade and industry from taxation and making free the production of wealth by throwing open the land to those who wish to use it. If Mr. Anderson's argument were sound, and the alternatives he mentions were the only ones open to us, it would not only be the protectionists that would be forced to play for dangerous stakes. He himself and his friends would be in the same predicament, for it can hardly be said that the country is ready for a "drastic conscription of wealth." There is indeed a substantial support for the principle of taking for the community the land value which the community has created, but Mr. Anderson presumably has other ends in view than that. The Labour representatives will not be much assistance in fighting the battle with protectionism that is now beginning if they are going to pin their faith to the misty formula of "a drastic conscription of wealth" instead of arguing for a systematic and logical development of the principles of Free Trade, but will rather make the constituencies wonder whether there is any virtue in Free Trade at all if they can only defend it by raising another issue.

Protecting Germany.

We noticed last month a leaflet on "Protection in War-Time," published by the Cobden Club. This has now been followed up by another, entitled "Protecting Germany." It points out how a Coalition Government, Free Traders and Protectionists alike, is intent on protecting Germany from foreign imports through the medium of a blockade. It has even been suggested in some quarters that the war would now be over if that blockade had been more rigidly enforced. By floating mines and submarine warfare Germany is endeavouring to protect us against foreign imports. "Meanwhile," says the Cobden Club leaflet, "it is startling to learn that there are people, both here and in Germany, who propose that their own Governments shall inflict upon them in peace what the enemy is endeavouring to effect, as a means of our destruction, by war."

This is an excellent example of the paradoxes into which Protectionism leads its exponents, and if protectionists were susceptible to logic we should expect them all to become Free Traders. Unfortunately the idea of Protection appeals to a vast number of persons who feel that under Protection conditions could hardly be worse than under Free Trade, and are willing to try any experiment in the hope that it will better their position. We must meet the Protectionists not only by a defence of Free Trade, but also by a demand for an extension of Free Trade from the field of exchange to the field of production. Freedom of exchange has many virtues in helping to keep down prices and preventing the formation of monopolies, but freedom to make use of the land of this country in order that every one may have the

opportunity of earning a living from it is still more important.

"Repudiation or Confiscation."

Discussing the finance of the war in the *NEW YORK TIMES ANNALIST* of January 17th, Professor H. J. Davenport estimates that if the war goes on for a year or a year and a half longer the European nations will have to bear a burden of £20,000,000,000 indebtedness and £1,000,000,000 of interest payments a year. He says:—

The burden will evidently be an impossible one. . . . Repudiation would be the sole escape from revolution. Stimulated emigration would merely multiply the burdens of the remaining population. . . . If Europe is to remain on the hither side of repudiation—in fiscal solvency, as distinguished from national solvency—new and drastic taxes must be devised. Europe in a generation or two, may easily shake herself free from its burden of war indemnities through an extensive utilization of income and inheritance taxes. A great extension of the single tax policy is also highly probable.

Professor Davenport goes on to remark that a policy of inheritance taxes alone "would not greatly differ from repudiation or confiscation; but for that matter neither would income taxes or unearned increment taxes, if either of them were carried to a point of equal productiveness." On the face of it taxation is confiscation and Professor Davenport is not very far wrong in suggesting that whether the solution is found in taxation or repudiation there will not be much difference between the two policies, always assuming, of course, that the taxation be mainly placed on the shoulders of those who are rich enough to subscribe to the war loans. If, however, the taxation is levied so as to fall on the poorer classes for the benefit of those who have been rich enough to lend we shall have confiscation of still worse a nature. We may add that Professor Davenport is hardly accurate in classing the single tax with the inheritance tax and the income tax. A tax on land values has in the first place the property of staying where it is put; there is no means of shifting it on to the shoulders of other people who were not intended to pay it. That in itself is a great virtue; but still more important is the fact that land value taxation does not hinder industry or discourage the production of wealth. On the contrary it encourages the production of wealth; it compels the owners of land either to use it themselves or to allow others to use it. If life is to be at all tolerable for the working masses in Europe, and if we are to remain solvent, the production of wealth must be increased; and no kind of taxation will have any effect in this direction except what we advocate. Of Professor Davenport's three alternatives the single tax alone will ward off the calamity which he foresees.

The New York Valuation.

The Annual Report of the New York Department of Taxes and Assessments always provides instructive reading for the student of land valuation and taxation. Elsewhere we deal briefly with the report for 1915, and mention only some of the chief matters relating to that year as they occur to us; but we would add here our recognition of the results achieved by the members of the Department itself and their able President, the Hon. Lawson Purdy. Their work and his is a beacon-light to parliamentarians the world over who are seeking in their respective countries and states to lay the true foundations of a just system of taxation. The whole

report should be taken as another proof of the triumphant success with which New York has solved the problem of the separate assessment of land and improvements. This feature of the New York valuation cannot be too often emphasized for it is the conclusive answer to those who affect the opinion that such separation is impracticable or illusory, or that the value of the land alone is of small account apart from improvements. In New York, at any rate, the selling value of the land alone reaches the respectable figure of £953,473,400.

It may be granted that it requires an effort to put the machinery of such valuation into operation—but what a million-fold greater effort would not be required to introduce the existing British rating system supposing it was a new thing! Moreover perfection is only attained after several years' experience, and New York has perfected its machine as the result of a valuation made every year continually and regularly revised and brought up-to-date. At the same time accuracy has been promoted because the assessment is not wanted merely for its own sake, but as a means to levy a tax on all the property assessed. Perfect valuation is, in fact, unattainable without constant revision and without taxation imposed; and no one, therefore, can expect that in our own case the British valuation, as partially completed and purporting to state values as they were in 1909, can be anything but an approximation of the facts, or more than a first step in the thorough reform of national and local taxation.

Incidentally it may be pointed out that although the New York assessment makes a separate valuation of land, there is no separate or specific taxation of land values. The reform has not yet taken shape in that direction. Improvements and land values are taxed on the same footing. There is, on the other hand, no exemption of land value, as in this country where land happens to be vacant or under-used. People who hold land out of use in New York City do so at a cost of roughly 4½d. for every pound of the capital value of such land, and they will pay much more heavily when and as the popular agitation, growing in force in New York, succeeds in removing taxation from personal property and improvements.

Land Reform in Mexico.

The land question may be said to be the main cause of the Mexican revolution, and the Constitutionalist have been fighting for some measure of land reform. The state of Yucatan is the first under the Carranza Government to apply the principles of the new agrarian law. The law as promulgated by General Salvador Alvarado, the military governor of Yucatan, revokes private property in land, and substitutes leases of 999 years subject to certain specified conditions. According to *THE PUBLIC* (Chicago, January 28th), Article 6, Chapter II., provides that:—

Every Mexican or foreigner more than 17 years old living in the State has the right, always provided that he intends personally to cultivate it, to a piece of land where, by means of his labour, he may obtain what is necessary to maintain his family, thus acquiring economic independence and the comforts necessary to live quietly according to his social position. Foreigners receiving lots under this law may not claim any rights because of being foreigners, nor may they under any circumstances seek consular or diplomatic aid, regarding the application of this regulation.

Article 24, Chapter III., provides that:—

The land that may be required in case the ejidos [public lands] are insufficient will be acquired in con-

formity with the decree of January 6, 1915, by the necessary expropriation of adjoining land, not under cultivation, if it be private property or not.

These lands so allotted cannot be sold, mortgaged or rented.

The "Daily News" on Land Settlement.

In a leading article, highly commendatory of the report of the Verney Committee, the *DAILY NEWS* (February 10th) says:—

The Committee mentions the modest sum of £2,000,000 as the first financial aid to the scheme. We hope that that amount will be recognised as merely preliminary. It represents less than half a day's expenditure on the war. We must think in bigger terms than this if we are to hope to deal with this problem adequately, and are not to content ourselves with tinkering with it. And let us remember that while the thousands of millions we are spending on the war will never yield a penny of return, our investments in the soil of our country will yield tenfold and a hundredfold, not merely in money, but in the only ultimate source of the wealth of a nation—the life of its people.

The editorial then goes on to say that it would be a "mistake to suppose that the whole problem of the regeneration of rural England is covered by the Verney proposals. They are excellent as far as they go, but they only touch the fringe of the greatest of all our problems. The land policy which Mr. Lloyd George was preparing to launch when the war broke out remains to be developed in all its aspects—housing, the re-adjustment of the relations of landlord and tenant, the sweeping away of the wasteful sporting customs, and the taxation of land values."

It does not seem to strike our Liberal editor that two million pounds as the first instalment of the cost of a scheme that in any event will only touch the fringes of the problem is a rather large sum to waste. To compare it with half a day's expenditure on the war does not really make it easier to find the money. If expenditure is to be carried on at rates like these in peace time as well as in war, the nation will simply become bankrupt all the quicker. May we suggest to the *DAILY NEWS* that our business now should be to find plans of reform which will stand on their own strength without the necessity of a continual stimulus being poured into them from the pockets of the wearied tax-payer.

Higher Rents Foretold.

In an article on "Land and House Property in 1914," *THE ECONOMIST* says:—

As a result of this stoppage in building, there is a growing shortage of houses of the poorer class. . . . "Rents," as Mr. Provis told a *MANCHESTER GUARDIAN* representative, "will be maintained, as the scarcity of houses will year by year be more acute." In other words, house room of some sort is a necessity, and its price is going up, while in many areas the housing problem is acute. This is notably the case in Glasgow, in the Midlands, and, under pressure of exceptional circumstances, in Huddersfield. The return of large numbers of wage-earners from the Army must intensify every difficulty that now exists; and it looks as if the effect of the war will be to make small houses very dear and large houses very cheap.

The *ECONOMIST* adds that this is "not a pleasant outlook either for the rich or the poor." Our contemporary seems to forget that it is the rich who own almost all the small houses, as well as the big ones, and that they stand to gain by this state of affairs. It is the poor who will in almost every case be the losers.

LAND VALUES

Twenty-second Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.
(United States and Canada, 50 cents.)

Editorial Offices:

The United Committee for the Taxation
of Land Values,
11, Tothill Street, London, S.W.

Telegrams: "Eulav, Vic, London."

Telephone: Victoria 7323.

All communications to be addressed to the Editor.

"OUR POLICY"

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

ECONOMICS, FINANCE, AND STATISTICS

At the London School of Economics on February 4th Sir George Paish delivered a lecture (fully reported in the *STATIST* of February 5th) on "The Economic Strength of Great Britain." He said some interesting things, and the whole lecture deserves attention not only because of Sir George's authority as a financial expert but also because of the wide publicity his remarks have enjoyed. We choose a few characteristic sentences which explain much that is in the mind of one who appears to be too devoted to Statistics to be able to think clearly on Economics; and he is not alone in that respect.

"The United Kingdom is a group of small islands containing a relatively vast and dense population and with very few natural resources in proportion to its population. . . ."

"Early last century the population outgrew our agricultural resources and home supplies of food had to be supplemented by foreign supplies."

Statistics should at least be summoned for proof of these statements, but while we wait for some calculation of "our resources" we prefer to rely on the possibilities of wealth-production as demonstrated by such authorities as Prince Kropotkin and Professor Long, and as revealed in the recent disclosures of the Liberal Land Inquiry Committee. The latest testimony for the statistician to grapple with is the pronouncement of Mr. Jesse Collings, whom we quote specially simply because he is not a Radical and therefore not likely to be particularly biassed against landowners. Writing to the *TIMES* of 5th February he refers to "our effete land system, a system which gives the control of nearly all the land into the hands of a comparatively small number of persons; it permits the land to be held up and put to inferior uses or to no use at all." So it is with "our" resources. It is absurd to speak as if they belonged to the whole people and had already been used to their fullest capacity. But holding such views, Sir George Paish must have a profound contempt for any kind of enthusiast who proposes any kind of land settlement in this country—not least for those who are now advocating the purchase of land for farm

colonies for soldiers. Certainly, there could be no more futile waste of public funds, even if taxpayers' money ought to be appropriated for buying out landowners or in any manner to enrich a section of the nation.

"In a complete twelve months of war Great Britain has not only been able to buy and pay for nearly £900,000,000 of Colonial and foreign produce and goods for home consumption and for war purposes but has found something like £350,000,000 of money for her Allies, Colonies and customers in addition. . . . The third matter that Great Britain has accomplished has been to meet her own war expense, amounting to £1,000,000,000. . . . This great amount of money has been found with so much ease and facility that no one has felt the burden."

Surely enthusiasm has carried the lecturer too far. We are almost induced to regard the finding of £1,000,000,000 for expenditure as something additional to the feat of buying and paying for £900,000,000 worth of goods. It is as if the statistician discovered a firm, A. B. & Sons, who bought in one year £900 worth of raw material, and then learnt independently that A. B. & Sons had paid into their bank-account £1,000 in the same year. What a wonderful story the statistician could tell of the "Economic Strength" of Messrs. A. B. & Sons, especially if he quietly ignored the fact that the firm had borrowed the £1,000 from one of the partners, Mr. A.! But such factors are not considered; "we," the British people, have "found the money" with ease and facility, &c., &c.

"We have found £42,000,000 of capital for rubber plantations . . . we have raised 43½ millions of money for increasing the production of oil. . . . We have supplied other countries with no less than £84,000,000 for the construction of tramways; £44,000,000 for telegraphs and telephones; £12,000,000 for the purchase and equipment of nitrate properties; £22½ millions for tea and coffee plantations; £62,000,000 for gas, water and electrical undertakings; and about £450,000,000 for land and industrial undertakings of all kinds."

It is remarkable to think that you and I have expended so much money; and if we have, Sir George leaves it uncertain whether we are the possessors of all this property or whether you and I jointly have loaned money to enable "other countries" to purchase the oil wells, rubber, tea and coffee plantations, nitrate deposits, &c., already existing there, and to run the numerous industrial undertakings he refers to. If the latter is the correct interpretation we might well ask, would it be necessary for the United States to lend "us" money to buy "our" coal mines before they could be worked at all? The language is ambiguous and so are the figures, for how much of the money is really capital invested and how much represents the value of monopoly and privilege? How much is due to the increased value of land since the "investment" was first made? If I have bought a site in New York in 1880 for £1,000 and it can be sold to-day for £10,000, have "we," the British people, invested an additional £9,000 in America? Or you acquire an iron mine at Bessemer and the United States Government place a heavy protectionist tariff on iron ore enabling you to mint a fortune in royalties which you could sell at any

time for millions of dollars. You are called a "capitalist" by the statistician and you are linked up with me in pompous speeches declaring that "we" have made great investments in foreign lands. Is it possible the statistician overlooks all these considerations and never takes into account the finance of land speculation and of oil, rubber, and other concessions? In Mexico, let us say, some adventurers get a grant of territory from a corrupt politician, a temporary President. It contains rich oil wells; the adventurers float a company and sell "shares" in the right to exploit the wells. Millions of so-called capital are represented in the transaction and thereafter are quoted on the Stock Exchange as foreign investments, but does a single pennyworth of the money paid for the original adventurers' privileges find its way to Mexico?

"It is obvious that the ability of the world to buy British goods, apart altogether from the amount they have bought by our loans of capital, would have been immeasurably smaller than it has been if we had not supplied capital for increasing the world's productions.

"Practically at all times Colonial and foreign countries have raised a large part of their revenues by import duties. . . . The investment of British capital, however, in other countries meant that the demand for goods in those countries largely exceeded the supply of goods available and forced prices to rise to a level which permitted British goods to be imported in spite of customs tariffs."

Here are first of all two mutually contradictory statements. The use of capital increases production—in fact, we may say capital is of no service and would never be utilized unless it caused things to be produced more easily and in greater abundance. Yet British capital has fastened a load, in some singular way, on the mass of people abroad and has obliged them to pay more for their home products! It is at least astute thus to ignore, if not to deny, the obvious fact that protective tariffs are intended to and do raise home prices. The investment of capital has nothing whatever to do with the case. If it had, why should British capital have this peculiar effect? How is it that the much greater investment of the capital of Americans in all their own businesses, trades and industries—in all the factories, machines, railroads, &c., used by 100 million people in the production of wealth—has not raised prices so high that it is impossible to buy anything at all? The truth is that any country which exports abroad, as long as the exports are not the payment of tribute and interest, must accept in exchange corresponding imports and no tariff can exclude them. If on the other hand, the exports are purely tribute and interest, no imports will be received in exchange, all the investments in the world notwithstanding. The trade of the slave was all exports and no imports, except that he had bare food and clothing. The trade of the landowner is all imports and no exports; and if his land is abroad, his rent will be disguised, in the international returns of the entertaining statistician, as part of the wealth "we" derive from "our" investments. The labourer is both an importer and an exporter; when he imports into his house his daily bread he must give some labour productions or some useful service in return; and that is his export.

"How is it possible for a people inhabiting a country less than two-thirds the size of Germany or of France and no bigger than a single State of the Great Republic of the United States to do these things? . . . The British people are prepared to take greater risks than any other people in the world, and this quality has brought to them an income and a degree of well-being that can scarcely be measured."

It has been measured by statisticians of all kinds, from Sir George Paish himself and Professor Bowley to the Land Inquiry Committee and Mr. Rowntree. The last-named has given some striking facts of the "income and degree of well-being" of British people in the Cathedral City of York. And from the reports of every inquiry into the condition of poverty we know all we care to know about the great risks taken (but not in foreign markets nor with bank deposits) by that section of the British people who dwell in the slums of our cities.

"Out of this great holding of foreign securities we should be able to find any balance of exchange that we cannot supply by means of our export of goods, the interest that is due to us on our foreign investments, the great income we are now deriving from shipping and the substantial income we are still receiving from insurance and from other services we continue to render to other countries."

It was the STATIST, of which Sir George Paish is joint editor, which on January 1st pointed out that the advance in prices and the rise in freights had "taxed the whole people"; but now the profits derived from the rise in freights is a "substantial income" for the whole people, considerable enough to help pay for the war. That income and all the rest, including foreign securities themselves, are regarded as the available assets of this nation, as if they belonged to the nation or would be disposed of for the British people as a free gift to them. We know of course that nothing of the kind will occur. The owners of foreign investments are not philanthropists, however patriotic they may be. The much-advertised "mobilization of American securities" is not a method of paying for the war, but is a means of financing its operations by Exchequer bonds and other Government loans within this country. The holders of the American securities part with them only in exchange for the proceeds of public revenues collected later by public taxation levied on the rest of their fellow citizens. If Sir George Paish was talking about a co-operative commonwealth which held securities abroad as national property his arguments might have some weight; but even so the idea that the commonwealth could get back its resources by some financial jugglery, and be no less wealthy than before, is entirely ridiculous. That means that any man or any body of men can destroy many millions pounds' worth of goods and remain as rich as ever.

"Already the debt, including the pre-war debt, is about £2,200,000,000 and the debt charge and current Government expenses, including normal military and naval expenses, is some £300,000,000. But it must be remembered that about £100,000,000 of this is interest which accrues to British investors, and that a large part of this interest will still be available for new capital purposes. In spite of the new debt, or because of it, we may confidently

"expect that the nation after the war will have as much new capital for investment as before the war."

With this quotation we must leave Sir George Paish. It is almost a pity to spoil such a gem of wisdom with a comment, and it must astonish many to think it is uttered by a man who is accepted as one of the greatest living authorities on finance and statistics. Since he spoke at the London School of Economics he has been touring the country and his speeches may be searched for similar banalities, always affecting to suggest that war can be carried on without sacrifice of concrete wealth. Saving, economy, and investment in war loans will provide the finance; and everything will be returned to the investors in due season. £100,000,000 taken from those who are in debt and transferred to the lenders is found money available for new capital purposes! Could any tyro in Economics be guilty of greater absurdity?

There are the other financial mentors: the experts who menace us with the "American exchange" and a tariff on imports to rectify its decline—as foolish "mad hatters" as any of the Protectionists whom "A. G. G." so justly castigated in the *DAILY NEWS* of 19th February. We have dealt with their theories in previous issues of this journal, though not fully we admit, and are more concerned at present to voice a warning against the blatant use of the "WE" in the financial and statistical literature with which the country is being inundated. No one will deny the phenomenal wealth of the United Kingdom, but let no one pretend it is national property or that it is being exploited at present in any other way than to fasten a mortgage on the future, turning the Treasury into a coupon-collecting agency for those who have been able, through the economic forces that concentrate wealth in the hands of the few, to make loans to the people. After all, it is a vicious thing to imagine that all the trial and effort through which the country is passing is a mere incident in providing the financial rewards which normally come from industrial enterprise. But it is worse than vicious to ignore or hide the glaring fact that the great wealth of the country is unequally and inequitably distributed. These are the problems—the liability for the debt, the imposition of just taxation to meet it and other Government expenses, and the abolition of privilege and monopoly—these are the problems our officially-recognised financial advisers should be discussing, if their name and fame in this crisis deserved all the advertisement they get, and all the authority they assume.

A. W. M.

"HERESY" FROM HARVARD

Professor Thomas Nixon Carver, Professor of Political Economy at Harvard University, has recently published a book, "Essays in Social Justice."

He seems almost to have committed economic "lèse majesté" by advocating the philosophy of Henry George; for Professor Seligman has intimated that Henry George has been repudiated by every economist of any standing.

Dr. Carver cannot be called a single taxer—so he says. He devotes a chapter to the single tax, which he concludes with the sentence: "However one cannot be called a single taxer who believes also in the inheritance tax."

Among the economic fallacies which enjoy nine lives at the hands of the privileged classes and their professorial

adjuncts are the claims that all taxes are alike and that the high selling price of land constitutes an asset instead of a liability.

Professor Carver has the temerity to question these bulwarks of privilege. After reading the following excerpts from his book, we are confident that our readers will agree that he is not likely to be employed by the Carnegie, Rockefeller or Sage Foundations.

"A tax which represses productive enterprises weakens the state or the nation to that extent. A tax which does not repress any kind of useful or productive enterprise and still yields public revenue, strengthens the state, adds to its general power and prosperity, and is, therefore, just, according to our original definition of justice."

"Any tax which represses a desirable industry or form of activity not only imposes a sacrifice on him who pays it, but also upon those who are deprived of the services or products of the repressed industry. Taxes should therefore be apportioned in such a way as to impose the smallest sum total of sacrifice of these two kinds."

"As a general proposition, it is safe to say that, other things equal, a tax which represses desirable enterprises or activities, and thus deprives the community of the use and enjoyment of certain desirable goods, is more burdensome in proportion to the revenue raised than a tax which does not entail such results. In other words, a repressive tax is more burdensome than a non-repressive tax. A proposition much more to the point is that a tax on any form of property or income which comes into being as the result of the productive industry or enterprise of its owner is more repressive than a tax on any form of property or income which does not thus come into being. By productive industry and enterprise is meant such industry and enterprise as add something in the way of utility to the community, and not such as merely cost something to their possessor. Skill in buying land may cost as much of study and care as skill in making shoes; but whereas those who exercise the latter kind of skill increase the number of shoes, it has never been shown that those who exercise the former kind add anything whatever to the community's stock of useful goods. Tax shoe factories and, in so far as it represses the industry, the community will have fewer shoes. Tax the land and the community will not have less of anything than it would have without the tax. What is said of a tax on land could also be said, within limits, of a tax on inheritances. From the standpoint of non-repressive taxation, therefore, both the land tax and the inheritance tax have much to be said in their favor."

"The tax collected on the site value of land can have no repressive effect whatever on any productive enterprise. Its only effect is to reduce the selling price of land, not to change its rent in any way, nor to reduce its production in any way. From the standpoint of national interest, the selling price of land is a matter of indifference, provided its productivity is not affected. It is its productivity which enables it to support the nation. Its selling price is merely a means by which wealth is transferred from one citizen to another."

"Because a considerable extension of the land tax would tend to force into productive use a certain amount of land which is now held out of use for speculative purposes; because it would tend to relieve active production from the repressive burdens of taxation, and because it would tend to cut off the incomes which now support capable men in idleness, thus forcing a certain amount of talent into action, we must conclude that an extension of the land tax would work well for the nation."

These remarks confirm the growing conviction that most people who object to heavier taxation of land values on the ground that it is "confiscation," really object to interference with any kind of legalised privilege.—(Reprinted from the *TENANTS' MONTHLY*, New York.)

THE SOLDIER AND THE LAND

By R. L. Outhwaite, M.P.

(A letter to the DAILY NEWS, February 9th.)

SIR,—The departure of Sir H. Rider Haggard to Australia for the purpose of organising the transportation of British ex-soldiers after the war raises an issue to the solution of which democratic attention should be directed. Lord Curzon at the farewell luncheon at the Royal Colonial Institute stated that:—

Possibly between 1,000,000 and 2,000,000 men would come back to a country where it was almost certain that the labour market would be congested, where wages must fall, where the majority of the people would be much poorer than they were in the artificial conditions of the moment—in short, to a world of competition. . . . It was the business of the Government to provide an outlet for the legitimate ambitions of such men.

When the war is over the workers will be confronted with the old task of provisioning themselves and providing the cost of governance, which stood at about £200,000,000 a year. In addition, they will have to provide an equivalent amount as a result of war. It is clear that to avoid abysmal poverty all that the workers create will have to go to meet the individual and communal need. No longer will it be possible to permit a monopolist class to levy tribute upon the wealth producers and so render impossible of performance the gigantic task that war has laid upon them. The power to levy that tribute resides in the private ownership of land, and the value of the privilege is the capital value of the land. By taking this value by taxation the wealth producers will be able to meet the cost of the war without having a further inroad made upon their means of subsistence. This overwhelming fiscal necessity is calculated to render unnecessary the expatriation of the workers who have been for awhile in the trenches. For, once a heavy tax is laid upon land value and the holder compelled to fully utilise his land and produce the maximum of wealth from it, a demand for labour will be set up that will call millions back to the standard of industry.

Not all as tillers of the soil. Many labour leaders underestimate the land question as affecting the industrial workers, for they think it means setting the skilled mechanic to the growing of turnips. But that narrow concept will have to be abandoned to meet the aftermath of war. By then millions of the best customers of the artisan will have been slaughtered, tens of millions reduced to poverty, the international trade that so largely affected British employment will have been disrupted. To whom then must the Yorkshire weaver, the Northampton boot operative look to keep the looms and the machines running and him employed? What new market can his employer find when old ones have been closed by war? They must look to the potential market at their doors, to the production of the maximum of wealth from the fertile acres of Britain and to its producers for their customers. The Duke of Marlborough recently told the House of Lords that the agricultural labourer produced £250 of wealth a year. After making all deductions for the new estimation of the tiller of the soil in face of the recruiter's demand, the fact remains that it is to the man with the hoe that the industrial workers must look to keep them in employment.

Therefore when it is now proposed to ship overseas by millions the men who have faced death, as they have been told for their country, all national interests demand that not they but the land monopolists must go. No one knows better than Sir H. Rider Haggard the possibilities of the soil of Britain; but he, like every other land reformer, has failed who has striven to make a garden under the Upas tree of monopoly.

And he is going to Australia because there the axe of land value taxation has been laid at the root of the evil. Vain

but for this would be his mission. Federal land value tax, State land value tax, municipal land value rate, have had the cumulative effect of relaxing the monopolists' hold. He will find the same in New Zealand and in Canada. But in the colonies efforts to promote national well-being by way of the land have been retarded by protection, which enables the manufacturer to rob the primary producer. Here in Britain, with Free Trade maintained or re-established, can the great reform through taxation be best accomplished, and here should the first offer be made to the men who will pour back from the trenches and out of the war factories.

The enterprise of Sir H. Rider Haggard and the benediction of Lord Curzon should be regarded in the light of the decision in the Lindean case just delivered by the House of Lords. The Land Court empowered the Board of Agriculture for Scotland to constitute twelve small holdings on the Lindean Estate. The arbiter awarded the sum of £3,850 for depreciation in the value of the remainder of the estate consequent on the small-holdings affecting its "amenities." Against this decision the Board appealed. The appeal was dismissed, and with it the Scottish Smallholders Act to the "land reform" scrap heap. Small holdings prejudicially affect the "amenities" of the state; they are an offensive basis in the rural desert.

And when the Scotsman returns from the trenches which he sought obedient to the appeal of the poster depicting a Highlander looking down on a rural scene, and inscribed: "Is not this worth fighting for?" When he returns, away with him to Australia lest he offend the amenity of some estate! But if a land tax be imposed, amenity will give way to necessity, and he will be urged to remain.

THE COST OF THE WAR

The House of Commons on February 21st assented to two votes of credit. The first of £120,000,000 was a supplementary vote for the remainder of the present financial year. It brings the total votes of credit for 1915-16 up to £1,420,000,000, and since the commencement of the war to £1,728,000,000. The second vote of credit was for £300,000,000 and is on account of the coming financial year.

According to the Prime Minister's statement the daily expenditure on the war has risen during the present year from £2,800,000 to £4,350,000, and is likely in the future to remain about this figure and less than £5,000,000 a day.

Mr. McKenna stated in reply to a question in the House of Commons on February 16th that the National Debt of the United Kingdom was £708,000,000 on March 31st, 1914, and that according to the best estimate that could be made it would be £2,200,000,000 at the end of this financial year.

The estimated revenue from taxation for the present year is £305,000,000. The amount received up to February 19th was £261,800,000, and it is calculated that the remainder will be realised by March 31st.

I went to Illawarra where my brother's got a farm;
He has to ask his landlord's leave before he lifts his arm;
The landlord owns the country-side—man, woman, dog,
and cat,
They haven't the cheek to dare to speak without they touch
their hat.

It was shift, boys, shift, for there wasn't the slightest doubt
Their little landlord god and I would soon have fallen out;
Was I to touch my hat to him?—was I his bloomin' dog?
So I makes for up the country at the old jig-jog.

A. B. PATERSON ("A Bushman's Song").

THOMAS PAINE ON THE LAND QUESTION

[The following passage is taken from a pamphlet by Thomas Paine entitled "Agrarian Justice opposed to Agrarian Law and to Agrarian Monopoly." It was written, as the preface states, in the winter of 1795 and 96, but was not published till a later date. The circumstance which determined the author to publish this tract was the appearance of a sermon by the Bishop of Llandaff entitled "The Wisdom and Goodness of God in having made both rich and poor." "Agrarian Justice" is printed in the second volume of *THE POLITICAL AND MISCELLANEOUS WORKS OF THOMAS PAINE*, published by R. Carlile, London, 1819.

The latter part of the pamphlet is not here reprinted. It deals mainly with the practical steps which Paine proposed in order to secure to every one his share in the land. His proposal was briefly this: When property changed hands by death it should be subject to a tax of ten per cent., this being in Paine's opinion the average amount of communal value attaching to property. The revenue thus obtained should be used "to create a National Fund, out of which there shall be paid to every person, when arrived at the age of twenty-one years, the sum of Fifteen Pounds sterling, as a compensation in part for the loss of his or her natural inheritance by the introduction of the system of landed property; and also the sum of Ten Pounds per annum, during life, to every person now living of the age of fifty years, and to all others as they shall arrive at that age." This essay of Thomas Paine's is one more illustration of the fact that thoughtful men in all ages have realised the fundamental importance of the land question. His plan for restoring the rights of the people to the land is probably as perfect as that age could have produced, for it must be remembered that political economy was in its infancy. Four years previously Dr. Anderson had stated the law of rent but it won no general acceptance until re-stated by Ricardo and others twenty years later. Building on this foundation Henry George elaborated his more perfect plan for restoring to the people their rights and worked out in all its fulness the benefit that would accrue to society from giving back to all their equal share in the land.]

To preserve the benefits of what is called civilized life, and to remedy, at the same time, the evils it has produced, ought to be considered as one of the first objects of reformed legislation.

Whether that state that is proudly, perhaps erroneously, called civilization, has most promoted or most injured the general happiness of man, is a question that may be strongly contested. On one side the spectator is dazzled by splendid appearances; on the other he is shocked by extremes of wretchedness; both of which it has created. The most affluent and the most miserable of the human race are to be found in the countries that are called civilized.

To understand what the state of society ought to be, it is necessary to have some idea of the natural and primitive state of man; such as it is at this day among the Indians of North America. There is not, in that state, any of those spectacles of human misery which poverty and want present to our eyes in all the towns and streets in Europe. Poverty, therefore, is a thing created by that which is called civilized life. It exists not in the natural state. On the other hand, the natural state is without those advantages which flow from Agriculture, Arts, Sciences, and Manufactures.

The life of an Indian is a continual holiday, compared with the poor of Europe; and on the other hand, it appears to be abject when compared to the rich. Civilization, therefore, or that which is so called, has operated two ways, to make one part of society more affluent, and the other part more wretched than would have been the lot of either in a natural state.

It is always possible to go from the natural to the civilized state, but it is never possible to go from the civilized to the natural state. The reason is, that man, in a natural state,

subsisting by hunting, requires ten times the quantity of land to range over to procure himself sustenance, than would support him in a civilized state, where the earth is cultivated. When, therefore, a country becomes populous by the additional aids of cultivation, arts, and science, there is a necessity of preserving things in that state; without it, there cannot be sustenance for more, perhaps, than a tenth part of its inhabitants. The thing, therefore, now to be done, is to remedy the evils, and preserve the benefits that have arisen to society, by passing from the natural to that which is called the civilized state.

Taking then the matter upon this ground, the first principle of civilization ought to have been, and ought still to be, that the condition of every person born into the world, after a state of civilization commences, ought not to be worse than if he had been born before that period. But the fact is, that the condition of millions in every country in Europe, is far worse than if they had been born before civilization began, or had been born among the Indians of North America of the present day. I will shew how this fact has happened.

It is a position not to be controverted, that the earth, in its natural uncultivated state, was, and ever would have continued to be, the **COMMON PROPERTY OF THE HUMAN RACE**. In that state every man would have been born to property. He would have been a joint life-proprietor with the rest in the property of the soil, and in all its natural productions, vegetable and animal.

But the earth in its natural state, as before said, is capable of supporting but a small number of inhabitants compared with what it is capable of doing in a cultivated state. And as it is impossible to separate the improvement made by cultivation, from the earth itself, upon which that improvement is made, the idea of landed property arose from that inseparable connection; but it is nevertheless true, that it is the value of the improvement only, and not the earth itself, that is individual property. Every proprietor, therefore, of cultivated land, owes to the community a *ground-rent*, for I know no better term to express the idea by, for the land which he holds; and it is from this ground-rent that the fund proposed in this plan is to issue.

It is deducible, as well from the nature of the thing, as from all the histories transmitted to us, that the idea of landed property commenced with cultivation, and that there was no such thing as landed property before that time. It could not exist in the first state of man, that of hunters; it did not exist in the second state, that of shepherds: neither Abraham, Isaac, Jacob, or Job, so far as the history of the Bible may be credited in probable things, were owners of land. Their property consisted, as is always enumerated, in flocks and herds, and they travelled with them from place to place. The frequent contentions at that time about the use of a well in the dry country of Arabia, where those people lived, shew also there was no landed property. It was not admitted that land could be located as property.

There could be no such thing as landed property originally. Man did not make the earth, and though he had a natural right to *occupy* it, he had no right to *locate* as *his property* in perpetuity any part of it; neither did the Creator of the earth open a land-office, from whence the first title-deeds should issue.—From whence then arose the idea of landed property? I answer as before, that when cultivation began, the idea of landed property began with it; from the impossibility of separating the improvement made by cultivation from the earth itself upon which that improvement was made. The value of the improvement so far exceeded the value of the natural earth, at that time as to absorb it; till, in the end, the common right of all became confounded into the cultivated right of the individual. But they are, nevertheless, distinct species of rights, and will continue to be so as long as the world endures.

It is only by tracing things to their origin, that we can gain rightful ideas of them; and it is by gaining such ideas that we discover the boundary that divides right from wrong, and which teaches every man to know his own. I have entitled this tract *Agrarian Justice*, to distinguish it from *Agrarian Law*. Nothing could be more unjust than Agrarian Law in a country improved by cultivation; for though every man as an inhabitant of the earth, is a joint proprietor of it in its natural state, it does not follow that he is a joint proprietor of cultivated earth. The additional value made by cultivation, after the system was admitted, became the property of those who did it, or who inherited it from them, or who purchased it. It had originally an owner. Whilst, therefore, I advocate the right and interest myself in the hard case of all those who have been thrown out of their natural inheritance by the introduction of the system of landed property, I equally defend the rights of the possessor to the part which is his.

Cultivation is, at least, one of the greatest natural improvements ever made by human invention. It has given to created earth a ten-fold value. But the landed monopoly, that began with it, has produced the greatest evil. It has dispossessed more than half the inhabitants of every nation of their natural inheritance, without providing for them, as ought to have been done, an indemnification for that loss; and has thereby created a species of poverty and wretchedness that did not exist before.

In advocating the case of the persons thus dispossessed, it is a right and not a charity that I am pleading for. But it is that kind of right which, being neglected at first, could not be brought forward afterwards, till heaven had opened the way by a revolution in the system of government. Let us then do honour to revolutions by justice, and give currency to their principles by blessings.

TAXATION OR PROTECTION

(From the leading article in the DAILY NEWS, February 15th)

From whence are the new resources to come? From possessions or from consumption? The Protectionists are in full cry after their favourite quarry, and some of the weak-kneed Free Traders are joining them. The SPECTATOR is alarmed at the idea of making further demands on the taxpayer and, throwing over all its economic commonsense, calls for a ten per cent, *ad valorem* duty on all imports, food, raw material, manufactures—everything. We are to make all that we consume dearer in order that we may keep the taxes of the rich and the well-to-do lower. We are to consolidate our alliance with France and Russia and Italy by putting a tax on their exports in place of the free market we gave them when they were not our Allies. We are to reward the Overseas Dominions for their sacrifices by protecting the home producer against them. They will have a preferential tax as compared with France, but they will be taxed where hitherto they have had the privilege of free trade. The suggestion that this is to be done to reduce imports is obviously insincere. The way to reduce imports is to make them illegal in so far as they are unnecessary.

There is no question of taxing German trade, for we have no trade with Germany to tax. It will be time enough for us to decide whether we are to enter on an economic war with Germany when we have won the war on the battlefield. Till then at least let us avoid putting duties on our Allies' goods in order to save the pockets of the rich by making the general cost of living higher than the unavoidable conditions of the war make it. If we are to fight the Protection fallacy again let it be a fair fight and not a stampede on a false issue.

IS POLITICAL ECONOMY SCIENCE OR PURE FAKE?

(ALEXANDER MACKENDRICK in the SINGLE TAX REVIEW, January—February, 1916.)

In the last issue of the REVIEW you have headed an editorial with the above suggestive question. You may not be aware that a few years ago a debate extending over some months was carried on in the pages of one of the heavier London magazines, by Dr. John Beattie Crozier and Mr. H. G. Wells, under substantially the same title, "Is a science of Sociology possible?" The first named economist maintained that sociology is a real science and can be securely established on certain natural human instincts or tendencies, while Mr. Wells insisted that owing to the fact that man is still in the making and always developing new and unpredictable qualities, no uniformity in his reactions to stimuli can reasonably be expected, and that therefore the basis of a true science is wanting. Mr. Wells then went on to argue, as readers of his books can imagine he would, that all that the society reconstructor can do is to proceed by the empirical method of picturing to himself ideal states or utopias and then endeavouring to mould society after the pattern he has set for himself. It is needless to say that both these distinguished writers urged their cases ably, and had Dr. Crozier been not only the broad and liberal thinker that he is, but a Single Taxer in addition, his triumph in the debate would have been complete. Lacking as it did, however, the precipitating reagent which the Single Tax philosophy provides, his collection of so-called principles seemed to produce a muddled mixture which might well have evoked just the question asked by your article.

To me it has always seemed that the whole difficulty arises from a failure to realize what at bottom a science really is. We should constantly remind ourselves that we use language wrongly when we speak of a science of engineering or a science of government. A science is not a statement of what man can, would, or should do, but is a formula describing the tendencies of natural forces acting either without obstruction, or modified by the tendencies of other natural forces. Astronomy may be regarded as the purest science we have knowledge of, for it tells only of the natural laws which regulate the movements of the Heavenly bodies, and which cannot be modified or altered by human action. If we were as watchful of our language as we should be, we would speak of all human achievements as "arts," with the purpose of distinguishing them clearly from Nature's unchangeable operations which, when reduced to formulae, are properly termed "science."

The mistake into which all the orthodox economists fell was that of starting their observations and beginning their search for first principles at a point where natural law had already been interfered with and where artificial law had given some men the power to obstruct the natural tendency of man to satisfy his desires with the least expenditure of effort. When the "science" of economics was born and began to look around for its subject-matter, it failed to observe that the "art" of government had arrived first and had disturbed and confused the data on which such a science must depend for support. The consequences have been just what might have been expected. The muddledom as between natural and artificial conditions on which the original observations were made, and from which subsequent deductions were drawn, has become worse at every attempt to simplify the "science" which is neither a true science nor an art, but an irreconcilable compound of the two. The most remarkable example of the confusion that has been caused by this failure to distinguish between two utterly different categories is to be found in a little manual of political economy by Professor J. Shield Nicolson, of Edinburgh University. In an apparent unconsciousness that he has wandered far out

of the region of political economy or indeed of any speculations that have the remotest connection with science, he devotes a chapter to a consideration of the uses of chemical fertilizers and artificial manures as an aid to farming. I confess it afflicted me with a kind of giddiness which it is hard to describe. Where am I? I asked myself. Am I being taught the natural laws which regulate human action, or am I simply told how to do things? Is this a scientific manual or a farmers' hand-book? Well might Professor Newcomb whom you quote, declare that "there are no economic principles to save statesmen the labour of working out each case on its merits," for what conceivable principles could possibly mediate between the component parts of a duality like this.

It is not surprising that Professor Seligman in his article on "Housing" in the NATIONAL REAL ESTATE MAGAZINE for November, should declare that "taxation is a much more complicated and subtle business than it appears to the ordinary tyro." Starting from a base, that is neither pure science nor human art, but an incongruous combination of the two, how should it be possible to formulate any principles of taxation that would hold men together in relations of equity? Was it not inevitable that the complication and subtleness should increase at each attempt at simplification, until all hope of clear definition had to be abandoned? The pseudo-science we have hitherto known as political economy has covered itself with confusion and proclaimed itself a failure. We who have caught sight of the real distinction between the science of human relationships and the art of government may well congratulate ourselves upon being the custodians of a great economic truth of which the world is not yet worthy, a truth so simple that the wayfaring man though a fool need not err therein, a truth so sublime in its remoter implications as to change the outlook upon life to all who have been privileged to lay hold upon it. Political Economy is a science. What passes under that name in many of our Universities is what you term it, "pure fake."

NEW YORK CITY VALUATION

From the Annual Report, for the year ending March 31st, 1915, of the New York City Department of Taxes and Assessments, we take the following statistics:—

Valuation on January 1st, 1915.		\$
Ordinary land value		4,643,414,776
Improvements		2,884,475,851
Special franchises		379,973,070
Real estate of corporations		200,897,090
Total real estate (£1,665,041,200)		<u>\$8,108,760,787</u>
Personal property (£72,289,900)		<u>\$352,051,755</u>

These are the assessed full market values in each case. The land value is, equivalent to £953,473,100, and the value of improvements to £592,294,800; the ratio of land value to composite value of land and improvements was 61·7 per cent.

A remarkable feature of the tables showing comparative results over a period of years is the steady diminution in the assessed value per head of population in the case of land value, value of improvements, and special franchises. For example: the land value per head was \$915 in 1911; the figure has gradually decreased to \$816 in 1915. Improvements were \$533 per head in 1911, \$535 in 1912, and then diminished year by year to \$507 in 1915. In the case of special franchises, the decline has continued since 1908, when the value per head was \$111; in 1915 it was \$67. The real estate of corporations is the only class of property which shows an increase, reaching \$35 per head in 1915. These figures are, of course, the averages for the whole city and express the assessed value in ratio to population; but population (4,983,385 in 1911 and

5,693,667 in 1915) has grown in greater proportion and the average per head has fallen. It would be interesting to have some explanation of this reduction, as it may be due to a number of factors: in the case of all items in the assessment, to more accurate valuation; and in the case of land value, to the effect of taxation upon selling value, or even to an increase in the general level of wages. These latter factors would, however, cause an absolute increase in the value of *improvements*, and in their case the cause of a decrease from \$533 to \$507 per head within five years must be sought in other directions. Referring to 1914 alone, the Commissioners say: "During the past year the market for real estate has been very dull owing to the business depression, and Manhattan has suffered further from the shifting of values and from the decline in the value of buildings due to changes in the character of neighbourhoods."

The tax rates in 1915 varied from 1·87 cents in Manhattan to 2·24 in Richmond. They are imposed by the several Boroughs and are the sum of two and sometimes four separate rates; the rate for general city purposes (1·786 in 1915) which is uniform throughout New York City; the rate for county purposes, which varies in the five counties; the rate for State purposes, which is uniform throughout the city; and lastly, a rate to pay an assessment levied against an entire borough or boroughs to pay all or part of the expense of a local improvement. The total tax on real estate in New York City in 1915 was \$153,673,531 (£31,555,000) and was equivalent on the average to 1·895 per cent., or 4·55d. in the £ of assessed capital value. As the land value was \$4,643,414,776 (£953,473,100) the total tax on the value of land alone works out at \$87,992,700 (£18,068,300) and to that amount vacant land contributes its share at the rate already mentioned, viz., 1·895 per cent. or 4·55d. in the £. The tax on personal estate was \$6,622,169 (£1,359,800).

The appendix to the Report contains an interesting account of the steps taken to apportion throughout the State of New York the direct State tax, which in 1916 will be at the rate of 0·17 cents to the dollar—equivalent to 0·41d. in the £. In equalizing the burden of this tax the State Board of Equalization make allowances for the fact that the assessments of real estate in the various counties (which are made by the counties themselves and not the State) may depart more or less from the real market value, and have to revise the valuations of real estate by adding or deducting such sum as in its opinion may be just and necessary to produce a just relation between the county valuations of real property in the State. As long as the different counties adopt their own standards of assessment, the result must be that, in the absence of such equalization, property would be unfairly penalized wherever the assessment was most accurate, and careless or haphazard assessments would be encouraged by causing property to be exempted from its due share of the State tax. The New York City Tax Commissioners point out that since 1911 the State Board of Tax Commissioners has been greatly aided in preparing a proper equalization table by two amendments of the Tax Law obtained in 1911, and that the results of this salutary legislation have been apparent in the equalization table of 1914. They add that while a direct State tax comes as a heavy burden at this time, it brings with it the incidental advantage of increased pressure upon the State Board of Tax Commissioners and local assessors to equalize real estate assessments throughout the State. This indicates that the correct methods of valuation in New York City are influencing assessment reform throughout the rest of the State, and at the same time confirms the contention that one of the best aids in the business of valuation is the imposition of a tax on the assessment of the property. In the counter-play of opposing interests and the influence they can bring to bear, the tax proves a most efficient valuer. A. W. M.

THE LAND QUESTION IN THE BALKANS

In an illuminating article in *MUNSEY'S MAGAZINE* for February, on the "Balkan States," by Mr. J. W. McConaughy, information is given concerning the system of landholding in Serbia, Bulgaria and Rumania. The following extracts are of special interest.

Serbia

The civilisation of the Serbs may not measure up to Western standards. They know nothing of the blessings of child labour and there is not a poorhouse or a community of paupers in the entire kingdom. Pauperism, as the western nations understand it, is unknown.

In this connection it must be remembered that Serbia has been out from under the Turkish yoke only a little more than a third of a century. Under Turkish rule it was not allowed to have schools or to build roads. Good roads would have offered the Serbs a certain facility of movement, which might have enabled them to get together and fight their oppressors. Education would have pointed out to them the need and the means for such a struggle.

Consequently, all that has been done in Serbia in the way of enlightenment has been done in a little more than one generation. Take it by and large, the record is not bad. The government of this small and landlocked state has so managed its affairs that it is practically impossible for a Serbian to become rich enough to oppress his fellow men, or poor enough to accept oppression.

The Serbs are naturally a nation of small farmers, and their constitution was framed with the idea of preventing any one from making them a nation of farm-labourers, or peons on the ground that once they owned in freehold. No matter how badly a Serbian manages his financial affairs, those with whom he deals understand that under no circumstances can they obtain a mortgage on his home, on his farming implements and beasts of burden, or on the land that can be plowed by a span of oxen in a long summer day.

Freedom of conscience and of the press, and the right of peaceable assemblage, are also guaranteed. They have a king, but no aristocracy, no nobles, no idle rich. One of their kings was a swineherd, and Serbia alone of the Balkan peoples has chosen her reigning house from families of her own blood. Every man who pays three dollars a year in taxes and is over twenty-one years of age is a voter, and helps to elect the members of the national assembly, which has the power to raise and appropriate funds, the king having a veto something like that of an American President.

One king sought to override his limitations. He and his wife, and their principal friends and backers, were murdered with a calm and painstaking thoroughness which shocked the western world, but left Serbia unruffled by so much as a tremor of revolutionary spirit.

According to our standards, this sort of thing is, of course, indefensible. When an English or French king has been guilty of treason it has usually been necessary to kill off a few hundred thousand entirely innocent people before he could be brought to justice. And at this writing Greece seems to be threatened with a similar experience because of a faithless ruler who is ignoring the constitution that he has sworn to uphold.

Among the farmers, the German system of co-operative credit has grown up. It is often necessary for the Serbian farmer, as for the American, to borrow money for legitimate farming purposes. It is evident from the inalienation law, that the borrowing capacity of the individual agriculturist must be extremely limited; therefore ten or so

pool their interests. When one wants to borrow, he must obtain the consent and indorsement of the other nine. In this way there is no reckless borrowing, and no defaulting. There is a low interest rate on loans, and the terms of payment are reasonable.

The Serbs live almost entirely on the surface of the land. Back in their mountains are untouched treasures of coal and iron. This, again, to the apostles of modern progress, stamps them as a backward people, it being the accepted idea to rip the riches out of the earth and use them up as rapidly as possible, without a thought for future generations.

And there is another treasure there that has been but too little touched. Among the hills of the Morava and the Drina were born all the quaint folk-lore and song, and the unsoiled poetry of an unspoiled breed.

Bulgaria

In many respects their Bulgarian neighbours are an even more remarkable people. The last of these small nations to escape Turkish degradation, they are the most energetic and pushing. They have a commendable lust of learning, and are filled with the spirit of western progressiveness. Unlike the Serbs, they are not pure Slav, nor yet are they as pronounced hybrids as the Rumanians. There is an admixture of Tartar blood which gives the typical Bulgarian countenance more of an Asiatic cast than is found elsewhere in the Balkans.

There is very little that is Oriental about the Bulgars. Their attitude toward their womenfolk is the test. The Bulgarian girl has every opportunity to get an education, broaden her view-point, and develop her powers. The result is that she puts up her braids, dons her western clothes, and takes an active interest and part in the affairs of the community.

The Bulgarians have been known as the Peasant People. In so far as the clean simplicity and honest industry of their lives makes for a peasant people, this is a good description. If possible, they are even more democratic than the Serbs. The Serbs abolished their nobles. The Bulgars never had any. They are true children of the earth in which they delve, unswerving of purpose, obstinate as a rock, sparing of speech and money, as practical as a plough, and as immovable as rent-day.

The Bulgarians are like the Serbs in that they have no idle rich class and no pauper class, and in that they are jealous of their natural treasures beneath the hills. They are also like the Serbs in that they are formidable fighting men. It was the Bulgarian army that accepted and held the post of honour when the Balkan League attacked Turkey in 1912.

Rumania

Rumania has not solved economic problems in the naive and direct fashion of her Balkan neighbours. The peasants of Rumania are farm-labourers. The land is owned by wealthy landlords, and these are seldom to be found at home; so not only is there the curse of closely held property in the hands of the few, but there is also the evil of what is known all over the world to-day as "absenteeism." This problem is giving Rumania grave concern—or, rather, was doing so until the great war inflamed Europe.

Rumania has her stake in this war, and at this writing the world is hourly expecting her to strike for it. It is another of the endless complications resulting from the conflicting claims of Balkan earth-hunger. She holds a strip of land wrested from Bulgaria in the war of 1913, and the Bulgars want to take it back. From Austria Rumania wants Transylvania and the crownland of Bukowina, both chiefly Rumanian in population. From Russia, on the other side, she would like to receive a part of Bessarabia which was hers from 1856 to 1878.

A STORY OF HENRY GEORGE

By Hon. JAMES F. MINTURN, Judge, Court of Appeals, New Jersey

About the time I began to practice law I became interested through clients in the struggle of the Irish tenants to possess the land. While journeying from Buffalo I became interested in the newspaper accounts of the lectures of Henry George, and, observing that these lectures served to elucidate the problem of the Irish tenant farmer, I inquired at the newsstand for the works of Henry George, and was handed two paper-covered books, *SOCIAL PROBLEMS* and *PROGRESS AND POVERTY*. On the train coming to New York I began reading them.

Needless to say that once I had entered the charmed edifice there was no retreating. The door closed behind me to every other species of literature, and by the time the train reached New York I had finished *SOCIAL PROBLEMS* and was well into the entrancing pages of *PROGRESS AND POVERTY*. There are books which one may peruse and cast aside for days and weeks until sufficient leisure time is had to resume their perusal, and the reader is in no wise perturbed by the intermission. Then there are others which once begun will not be denied, but pursue the reader day and night. Such to me were these two famous books.

Like most lawyers and students of Anglo-Saxon jurisprudence, my conception of the land problem was circumscribed by the notion that it presented only a question of property, the fundamental concept of which was the feudal tenure supplemented by the Decalogue doctrine of *meum and tuum*. This education had made it difficult for me to deal in *foro conscientiae*, as the lawyers say, with the Land League problem of restoring the land without compensation to the so-called land-owner. But the awakening came when I read these books and I lived in the hope that some day I would enjoy the honour of greeting their author.

The opportunity came in a most unlooked for manner. A man named Hutchins died in the neighbourhood of Camden, New Jersey, leaving a last will by which, after almost disinheriting his second wife, he left the bulk of his estate to his children by his first wife and ten thousand dollars to a friend, to be called "The Hutchins Fund," to be controlled by Henry George, "for the express purpose of spreading the light on social and political justice and liberty in these United States of America by the gratuitous, wise and economically conducted distribution all over the land of said George's publications on the all-important land question and cognate subjects." So read the terms of the bequest.

This will was contested by the heirs, and after a hearing before the Court of Chancery, the Vice-Chancellor, presiding, decided (I quote) "that a bequest for the distribution of books in which the author describes the system by which the land-owners hold the title to their lands as robbery is not such a charity as the courts will enforce."

I always felt that this adjudication was anomalous in jurisprudence and should be reversed at the earliest opportunity, but I did not foresee that at an early day I should be instrumental in having it so declared. But while seated in my office one day shortly after the determination of the case a short, well-built gentleman, plainly attired, entered and presented a letter of introduction from Louis F. Post, with whom I was acquainted. The letter introduced me to the author of *PROGRESS AND POVERTY*, and my hope was realised.

The man I saw before me was of striking appearance and unusual individuality. His head was large, and his forehead broad and high, and beneath two bright eyes that directed their vision to you and at you unflinchingly and constantly. His beard was dark reddish and somewhat touched with grey. But what struck me most forcibly was the childlike simplicity, candour and outspoken honesty of the man as manifested in his conversation. This element of his personality was what Dr. McGlynn in after years

referred to as the Christ-like character of the man, and what induced others in a less loving spirit but with no small degree of truth, as is now acknowledged, to call him "St. George." To me it was the sense of intellectual and moral greatness of the man that impressed me and that seemed to permeate the room, as though some great figure out of the pages of time had suddenly presented himself before me.

His errand was a simple one. He did not want this fund. His books circulated themselves. He had been down to Camden to investigate the situation and he found an old widow left without sufficient means to support her. He had never known of the existence of Hutchins, but had learned from the widow that the children were bitterly opposed to her and that she expected no help from that quarter. Mr. George went to the children—grown up persons—and explained the situation to them. He offered to give his bequest to the widow provided they would turn over a like amount from their share to her; but they refused. He desired that I should arrange to turn over to the Court the amount of his bequest so that it might be administered for the benefit of the widow. I told him that it could not legally be done. He thought he could see the Chancellor and make the offer that some means might be devised to accomplish it.

I gave him a letter of introduction to the Chancellor, after advising that he owed it, in justice to himself as well as to the correct establishment of the law for future generations of reformers, that this adjudication of the Court of Chancery be reviewed and set aside. He said that it had never occurred to him in that light, but that he would advise me after he had consulted with the Chancellor.

In due time I heard from him. The Chancellor had confirmed my advice and there was nothing left to do but continue the litigation on appeal. The argument in the Court of Appeals was most interesting, due mainly to the fact that it consisted in large part of an economic discussion, interlarded with constitutional principles. In the Court below the Vice-Chancellor had predicated his view largely on the fact that Mr. George had referred to the present system of land-owning as "robbery." In the Court of Appeals it was made apparent that he was not the first reformer to use strong language in condemnation of an existing iniquity. The great Master of the Christian Dispensation, it was shown, had referred to the entrenched owners of privilege in His day as "thieves," and had whipped them out of the temple. Their religion, all a veneer, was likened to "tinkling cymbals," and they themselves were called "hypocrites" and compared to "whited sepulchres." So also the acknowledged literary authorities of the 19th century, like Herbert Spencer, realising the rank injustice of the system, had declared in *SOCIAL STATICS*, "Had we to deal with the original robbers we should make short work of it." Copious extracts from *PROGRESS AND POVERTY* were read to a Court that was all intense with the novelty and educational force of the argument. The final excerpt was from "The Problem of Industrial Life"—the closing chapter of the book. "I have in this inquiry followed the course of my own thought. When in mind I set out on it I had no theory to support, no conclusion to prove. Only when I first realised the squalid misery of a great city, it appalled and tormented me, and would not let me rest for thinking of what caused it, and how it could be cured. But out of this inquiry has come to me something I did not think to find, and a faith that was dead revives."

This was enough. It was an appropriate, eloquent and convincing peroration. It supplied the *raison d'être* for the work; and it opened in the full sight of the judicial eye the great soul and the inspiring imagination of the man behind the book. In a few weeks the decision came overturning the judgment of the Court below. Chief Justice Beasley, one of the shining luminaries of the New Jersey Supreme Court at that period, wrote the opinion and stated

therein: "These works of Mr. George have greatly elucidated and enriched in many ways the subjects of which they treat and are very valuable contributions to the science of economics." And again, "It has not been and could not be reasonably alleged that the writings in question are either sacrilegious or immoral."

And again referring to the argument that the books charged that the present system of land tenure was based upon illegality, he says that if such a theory were acknowledged as a basis for legal criticism, "It may well be doubted whether it would not be altogether impracticable to discriminate between the works of the leading political economists of the present age, for it is believed that few could be found that do not in material particulars make war more or less aggressive upon some parts of every legal system as it now subsists. Certain it is that neither the political economy of Mr. Mill nor the SOCIAL STATICS of Mr. Herbert Spencer could be so circulated, for each of these very distinguished writers denies the lawfulness of private property in land."

In the very first chapter of PROGRESS AND POVERTY Mr. George prefaces his discussion with these lines from Mrs. Sigourney:

Ye build, ye build, but ye enter not in

Like the tribes whom the desert devoured in their sin;
From the land of promise ye fade and die
Ere its verdure gleam forth on your wearied eye.

With equal appropriateness these lines are applicable to the results of the struggle and labours incident to this famous suit as related to me by Mr. George while seated with him in the midst of his family and friends in his home in New York City some years afterwards. He had gone to Camden after the victory and offered the heirs to contribute the amount of his bequest to the old unfortunate widow if they would contribute a like sum, but their hearts were adamant and he met with a peremptory refusal. Thereafter before an accounting could be had the trustees of the fund absconded, and nothing in the way of material gain ever reached Mr. George's hands as the result of all the effort and struggle.

Shortly after the lonely old lady died. She had neither kith nor kin to solace her dying hours, or to close her weary eyelids. Penniless and alone they left her in distress and death—a sad monument to the ambitions and altruistic hopes of the donor of the Hutchin's Fund. But the pathetic closing chapter is not without its vision of relief. Another action on the stage ennobles the scene and spreads the veil of charity over ignoble selfish humanity.

When the sun was going down in that South Jersey village a few friends of the deceased widow followed in her funeral train to the grave where they laid her. And when the last clod of earth had been heaped upon her mortal resting place, the few simple, kind-hearted neighbours, the only surviving witnesses to her misery and distress, each turned as they left to shake the hand of and call down a blessing upon the solitary stranger in that cortege.

He had come from a distant city to make one of the mourners. He had paid her physician for his attendance upon her, he had ordered the funeral director and paid him, and he now stood at her grave with her humble neighbours in the old country churchyard. Then her poor world-wearied body was laid to rest in the peaceful breast of mother earth. The stranger was the author of PROGRESS AND POVERTY.

Years have come and gone since these scenes were enacted. Yet as I look back and recall the vision of the man and his works, and the tremendous influence for good they have wrought on the world, and the abiding enlightenment that subsists wherever these works are read, the memory of this extraordinary man lives again. I am thereby consoled with the belief that the fight for the "Hutchin's Fund,"

with its incidental publicity, was productive of a gain that cannot be measured in dollars.

Speaking for myself and the effect of the man and his writing upon one bred and trained in the devitalised economy of Adam Smith and inoculated with the feudal traditions and the narrow learning of the school of Blackstone, where feudal wrongs and injustices are extolled and defended as part of a great legal system, I can never sufficiently acknowledge the debt of gratitude I owe to the author of PROGRESS AND POVERTY, for the illusions he has dispelled, and for the awakening to a new life of a conscience and an intellect theretofore groping in the dark and seeking the light of truth and justice in vain.

The impress of his works upon me is ineffacable, and the memory of the man and the vision of humanity which he pictured must linger with me, as I feel it will with struggling mankind, to the very end.—(Reprinted from the SINGLE TAX REVIEW, November—December, 1915).

"CONSCRIPT LORD DERBY'S LAND!"

In a leading article under this heading the HERALD (London, February 12th) says:—

"Let us not, even in the midst of the great war, forget the war that we know so well to be greater still. Great Britain is not owned by the British: it is owned by landlords. Carlyle was no Socialist, but he put the whole case symbolically in two sentences: 'The widow is gathering nettles for her children's supper. A perfumed landlord, lounging delicately in Paris, has an alchemy by which he will extract from her every third nettle, and call it Rent and Law.' What the owners of land and capital possess is not simply an unfairly large proportion of a common stock; it is the ownership of the sources of wealth, of the means of production; it is the power to levy tribute indefinitely on the labour of their fellow-creatures. It may be said that the thing which inspires men to fight is not a material thing, and that is true. Millions of our fellow-countrymen have gone out to the war inspired by the splendid conviction that they are fighting for honour, liberty, and home. But it is clear that the case is different as soon as men are being forced to fight. Men can voluntarily embrace an ideal of sacrifice; they cannot be compelled to embrace it. To compel is to destroy the ideal element and reduce the whole business to the material level. And once that is done, mere fairness requires that the material things to be sacrificed or to be gained should be the same for all. A man who volunteers had made his own choice of what is right and worth while: a man who is forced to fight for 'his' country is bound to ask in what sense the country is his? . . ."

"But, if the rich man persists in refusing the sacrifice, if he will not make it voluntarily, then—if we are to have compulsion at all—let him be compelled. Let his broad acres be conscripted: they are of less value than the men who are being conscripted now. If the country is not at such a pass that all must make equal sacrifices, even to their lives if necessary, then Conscription of men is too open a shame to be contemplated; if the country is at such a pass, the landlord and capitalist must not be allowed to be shirkers of the common duty. Let the Government show themselves impartial and sincere; let them say to the wealthy: 'Bring your wealth or we'll fetch it.'"

The Corporation of Glasgow has purchased Balloch Park, at the foot of Loch Lomond, for £30,000.

TAXATION IN CALIFORNIA

Irrigation Districts Exempt Improvements

[The Irrigation Districts of California as originally organised were to tax improvements as well as land. The law was amended in 1909 so as to compel newly organised irrigation districts to exempt improvements and enable the old districts by vote of the landowners to exempt them also. The following account of the working of the taxation of land values in Modesto District is taken from the speech of S. P. Elias at the San Francisco Single Tax Conference, 25th August, 1915.]

Representing the Modesto Chamber of Commerce, I am here to-day to speak to you of the Modesto Irrigation District, of its single land tax, and of the effect of the latter upon the development and progress of the community.

Through the publicity given to it in the writings of the chairman of your Speaker's Committee, the Modesto Irrigation District has become famous for its experiment in taxation, by the adoption of the single land tax, and I feel safe in asserting that this District was the first public corporation in the United States to adopt under permissive State law this sort of a tax on land as the exclusive means of raising revenue. Naturally, therefore, the experiment would be fraught with great interest to students of taxation and of economics generally.

Ignoring for the moment the discussion of the land tax of the Modesto Irrigation District, I desire to say by way of introduction, that Stanislaus County presents in its industrial and economic revolution, an interesting study. Its history exhibits the transition from a virgin and primitive state to one of intense cultivation of the soil and a high grade of civilisation. Running parallel with this transition and development appears the desire on the part of the people for a more just method of taxation in the Irrigation District—a method which at once would prove more equitable and further promotive of urban development.

Originally settled by the miners who came down from the mountains that skirt the eastern extremity of the State—men who sought the new Eldorado after the privation of travel in the early days—grazing and stock raising were the industries of the sparse and scattered population of Stanislaus County at the earliest period of its history. As additional population came down from the mines, new lands were pre-empted from the Government and the large ranges divided into wheat ranches. By the year 1868, Stanislaus County had become the banner wheat growing district of California—and this leadership in wheat extended over a period of twenty years. As the constant growing of wheat had robbed the soil of its nutriment, it became apparent to the land owners that irrigation was a manifest necessity to restore the soil and to retain productivity and prosperity. In 1886, therefore, the Legislature enacted the Wright Irrigation Law, under which the Modesto Irrigation District—the first in the State—was organised. This law provides for the public ownership by the people of water for irrigation purposes. After years of litigation, the law was safely settled, and the works of the district completed. This law permits a public corporation to organise in such a manner as to build irrigation canals, ditches, dams and all other necessary works for the distribution of water for irrigation purposes. This law also gives to such a corporation the power to tax for these purposes.

It was over ten years ago that the waters were first turned into the canals from the massive dam at La Grange. Then came an unexampled era of progress and development in the Modesto Irrigation District. With the land owning the water, and each acre entitled to water in proportion to the tax that it paid, and fructified by the waters from the canals, it blossomed forth with a fertility unparalleled. The progress of the district under irrigation is shown in the advancement made by the City of Modesto alone.

Ten years ago, Modesto was a typically quiet country

village of a little over 1,700 people. To-day it is a bustling cosmopolitan city—one of the cleanest and prettiest of the modern cities in the State—with a population of 8,000 people and a tributary population of over 10,000 or more. Its growth has been due exclusively to irrigation. So rapid has been this growth in this short period of time that it has been a Herculean task for the school authorities to provide accommodations for the yearly increasing numbers desiring to take advantage of Modesto's excellent educational departments.

While the Wright Irrigation Law was the first enactment of its kind in the United States providing for the municipal ownership of water primarily for irrigation purposes and while the Modesto Irrigation District was likewise the first quasi-public corporation in the country to adopt this plan of public ownership and distribution of water as provided therein, the operation of the law produced a widespread economic effect. It showed plainly the effect of increased taxation upon relatively non-productive property, and its ownership.

In order to complete the irrigation works required, it was necessary to levy a yearly increase in tax upon property in the district. This tax running as high as from three to four per cent. upon assessed valuation in the early period of the District's existence, it fell heavily upon many of the large landholdings to such an extent as to make their continued ownership unprofitable under the then mode of cultivation. The result was the placing upon the market for sale at reasonable prices many of these large tracts of land. This made possible the subdivision of the large landholdings to such an extent as to increase the population of the district by the smaller farmer and tenant. The result was a more intensive cultivation of the soil, thereby increasing its productivity and rendering the land and its adjoining holdings more valuable. With an increased population living together in closer proximity—many parts of the district appearing upon first view to be but a scattered city—came other social and economic demands, which were quickly satisfied. In other words, the firstfruits of the operation of the Irrigation Law were the subdivision of the land, the influx of population, the intensive cultivation of the soil, increased property valuations, the imperceptible blending of city and country life to the advantage of each socially. It is evident, therefore, that the legitimate use of the sovereign taxing power by the people frequently operates beneficially as it has done in Irrigation Law.

It was early seen in the workings of the Irrigation Law, that while the development of the district was fairly rapid, the tax system hampered progress to a very large extent, and, in fact, was alleged by many thoughtful persons to retard development. The plan of the Irrigation Law was to tax, similarly to the system generally in vogue, land and improvements thereon, though no personal property was ever taxed. When the irrigation tax amounted from three to four per cent. of assessed valuation, and when this per cent. was added to the tax on the land, it fell heavily upon the farmer who wished to improve as it did upon the city dweller who desired to build. It helped the owner who erected a mere shack upon his place or held the land back for increased valuation due to increasing population. To remedy this evil, an enactment of the legislature was procured permitting irrigation districts to exempt improvements from tax whenever the voters choose to adopt the plan.

The Modesto Irrigation District was the first in the State to adopt this plan in the year 1911 and the Single Land Tax has been in operation since the year 1912, when it went into effect in this district. In 1911, Modesto district's country real estate was assessed for \$3,795,050; city real estate for \$848,545; improvements in country \$525,280; improvements in city \$854,690, making a total assessment of \$6,235,565. The tax rate was three per cent. in this year. The following year of 1912, when the Single

Land Tax went into effect, country real estate was assessed at \$5,358,790, and the city real estate at \$1,590,330, a total of \$6,949,120. It is evident that the assessed valuation of improvements was the following year, under the operation of the Single Land Tax, thrown back upon the land, although the assessed valuation of the land increased only by a total of over \$900,000, as against the loss of the previous assessed valuation of improvements of over \$1,200,000. The tax on improvements has ever since been thrown back upon the land exclusively. The tax rate for the year 1912 was 2½%. This reduction in the tax rate was not caused by the adoption of the Single Tax, but was due to the fact that no special assessment was levied during that year. The total assessed valuation for 1914 is country real estate, \$5,362,390, city real estate, \$1,598,855; total \$6,961,245.

The result of the adoption of the Single Land Tax in the Modesto Irrigation District may be briefly summarised. It promoted and encouraged development from the outset. Under the old scheme, when the farmer borrowed money with which to improve his holdings, his improvements were subject to a tax. This really penalised improvement in that it added the tax per cent. to the interest already being paid, resulting practically in an increased interest in proportion to percentage of tax imposed. With the tax on improvements removed, improvements progressed rapidly, and in the city of Modesto, nearly two large blocks of business houses, including two new hotels, and a number of new and beautiful residences, were erected. It likewise helped the small owner, for it removed his improvement tax.

It compelled a large number of land owners to immediately dispose of their land which theretofore had been idle upon the market or to devote it to more productive purposes. It also placed upon an equality the man who improved with the man who failed to improve, for each holding was taxed according to the value of the land and not according to improvements thereon. Throughout the district and in the city of Modesto, it encouraged building—and what was more desirable, the erection of substantial homes and other creditable improvements upon the farms. It can be truthfully said that the Single Land Tax has had a most salutary effect upon the development of the district and on the city of Modesto. It has worked well in the Irrigation District.

I am frank enough to say that Modesto during the past several years has given to the Single Tax as applied to the Irrigation District the credit for most of its prosperity, and I will say also that the people of the Modesto Irrigation District are highly pleased with its operation.

In conclusion I desire to invite the members of the convention to visit Modesto and the Modesto Irrigation District. You will have presented to you in a concrete form an illustration of the industry and development which in this latter day is weaving and producing the material greatness of the Golden State of California.

In this thirty-seven miles of country, lying between the great rivers Garonne, Dordonne, and Charente, and consequently in one of the best parts of France for markets, the quantity of waste land is surprising: it is the predominant feature the whole way. Much of these wastes belonged to the Prince de Soubise, who would not sell any part of them. Thus it is whenever you stumble on a Grand Seigneur, even one that was worth millions, you are sure to find his property desert. The Duke of Bouillon's and this prince's are two of the great properties in France; and all the signs I have yet seen of their greatness, are wastes, *landes*, deserts, fern, ling. . . . Go to their residence, wherever it may be, and you would probably find them in the midst of a forest, very well peopled with deer, wild boars and wolves. Oh! if I was the legislator of France, for a day, I would make such great lords skip again.—A. Young's TRAVELS IN FRANCE, 1787-9.

LAND SETTLEMENT FOR SOLDIERS

Report by the Departmental Committee

The introduction and Part I. of the final report of the Departmental Committee appointed by the President of the Board of Agriculture and Fisheries to consider the settlement or employment on the land in England and Wales of discharged sailors and soldiers has been issued as a White Paper.

The committee, of which Sir Harry Verney, Bart., M.P., is chairman, point out their profound and unanimous conviction that a scheme for attracting a large population to the land is urgently required at the present time in view not only of the obligation of the State to ex-Service men, but of the highest interests of the nation as a whole, and they are convinced that one of the best means of attaining the objects in view is by promoting a policy of closer land settlement.

The committee believe that the duty of carrying out the scheme for ex-Service men must, in the main, be undertaken by the State, though they welcome the assistance which private land-owners or voluntary societies can, and no doubt will, give.

The following is a summary of the principal recommendations of the Committee:—

A.—SETTLEMENT BY THE STATE.

(a) That the Board of Agriculture should be given power to acquire land for the settlement of ex-Service men in State Colonies, and that land-owners should be invited to offer to the Board any large farms which come in hand before they are re-let.

(b) That no men should be allowed to take up holdings of their own unless they have the necessary experience. Men without such experience should be offered employment at wages in the first instance.

(c) That any small holdings established should be on a basis of tenancy rather than ownership.

(d) That the colonies should be laid out so that more land can be added to each holding in due course.

(e) That the War Office should hand over to the Board, free of cost, any of the military hutments which are not required for military purposes after the war.

(f) That expert guidance should be provided for the settlers in each colony by the appointment of a resident director and an agricultural or horticultural instructor.

(g) That steps should be taken to encourage co-operation in all directions.

(h) That a depot should be established in each colony for the collection and disposal of produce, and a store for the sale of requirements.

(i) That part of each colony should be retained as a central farm, from which horses, implements, &c., can be let out on hire to the settlers.

(j) That a co-operative credit society should be established in connection with each colony, and that the State should take up share capital in such societies to the extent of 5s. for each acre.

(k) That all possible social amenities should be provided in the colonies, and that women's institutes or clubs should be established for the settlers' wives.

(l) That the rents of the small holdings should be sufficient to recoup the capital outlay and the cost of management, except the salaries of the resident staff and the cost of preliminary training, but no sinking fund for the repayment of the purchase price of the land should be charged.

(m) That immediate steps should be taken by the Board to acquire and equip land for three pioneer colonies, comprising 5,000 acres in all, and that additional land should be acquired for the establishment of further colonies.

(n) That in the first instance a sum of £2,000,000 should be placed at the disposal of the Board for the purposes of land settlement, and that such further sums as may be needed should be provided.

B.—SETTLEMENT BY COUNTY COUNCILS.

(a) That county councils should undertake the provision of small holdings for ex-Service men who are not prepared to go to the State Colonies.

(b) That as far as possible councils should establish colonies of small holdings similar to the State Colonies.

(c) That the Public Works Loan Commissioners should be authorised to resume the issue of loans to councils for the purchase and adaptation of lands for small holdings.

(d) That the Small Holdings Act should be amended so that the Board of Agriculture may become partners with the county councils in the whole business of providing small holdings under the Act, and may pay half of any losses that may be incurred.

(e) That certain other amendments should be made in the Act.

C.—THE CASE OF DISABLED MEN.

(a) That adequate funds should be provided by the State for the training of any disabled men who desire to settle on the land.

(b) That such training should be given by the Board of Agriculture acting on behalf of the Statutory Committee under the Naval and Military War Pensions Act.

(c) That, after being trained, disabled men should be treated on the same footing as able bodied men, except that in selecting the tenants of small holdings they might be given the preference if other things are equal.

D.—PROPAGANDA FOR LAND SETTLEMENT.

(a) That a propagandist campaign in favour of land settlement at home should be undertaken by the Board of Agriculture with the assistance and co-operation of the Admiralty and War Office prior to the demobilisation of the Navy and Army.

FINANCE.

It is estimated that the cost of the three pioneer colonies will not be more than £334,020. If the land could be leased and military hutments were available it is estimated that the cost of the three colonies would be less than £100,000. The three colonies would not be likely to provide accommodation for more than 300 families, and provision should be made on a much larger scale.

"We think," the Committee say, "that the sum which should be appropriated for the purpose in the first instance should be £2,000,000, and that this amount should be charged on the Consolidated Fund and should be advanced from time to time in such instalments as may be required by the Board of Agriculture and Fisheries. This sum should be sufficient to provide for at least four or five thousand families, including a proportion of unmarried men; but if the number of suitable applicants fell short of these figures, the expenditure of the whole amount would be unnecessary. If, on the other hand, the above figures are exceeded, such additional sums as may be required should be provided."

Emphasis is laid on the need for immediate preparatory steps if the colonies are to be equipped properly by the end of the war.

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**SCOTTISH SMALL LANDHOLDERS ACT,
1911.**

The Lindean Case

We referred in our editorial columns last month to the decision of the House of Lords in this case arising out of the Small Landholders (Scotland) Act. The decision is of great importance as it establishes the obligation of the Board of Agriculture for Scotland to pay full compensation for depreciation in the selling value of an estate consequent on part of the land being taken for smallholdings. In the case in question the amount of compensation payable under this head amounts to £3,850 in respect of the creation of twelve smallholdings. The total amount awarded by the arbiter was £8,588, so that the inclusion of the item under dispute increases the amount of compensation by nearly 80 per cent. It will readily be seen that this will much curtail the activity of the Board of Agriculture in providing smallholdings and indeed is likely to bring the working of the Act almost to a standstill. In addition it will help in maintaining the value of land and render it more difficult to acquire land by private bargain.

In view of the importance of the case we reprint the following report from the GLASGOW HERALD of January 19th.

The House of Lords yesterday decided the Lindean case against the contentions of the Board of Agriculture for Scotland. The issue was one of great importance in the creation of smallholdings under the Small Landholders (Scotland) Act, and the House of Lords affirmed the competency of the arbiter under that statute to award compensation to the landowner in respect of depreciation in the saleable value of his property as the result of the constitution of smallholdings upon it.

The appellants were the Board of Agriculture for Scotland. The respondent was Mr. C. H. Scott Plummer, of Sunderland Hall, Selkirkshire. Lindean is a farm on Mr. Plummer's estate. The Scottish Land Court empowered the Board of Agriculture for Scotland to constitute twelve new holdings on Lindean. An arbiter was appointed to determine the amount payable to the landowner. In the arbitration award was an item of £4,600 for compensation. Of this sum £3,850 was in respect of the depreciation on the capital and saleable value of the estate. The Board of Agriculture took the view that it was beyond the competency of the arbiter to include this £3,850 in his award. The Lord Ordinary (Lord Hunter) upheld this contention. The Second Division of the Court of Session found that the arbiter had not acted *ultra vires*. From that decision the Board of Agriculture for Scotland appealed. The appeal in the House of Lords was heard yesterday by Viscount Haldane and Lords Kinnear, Shaw, Parmoor, and Wrenbury, and they unanimously agreed in upholding the decision of the Second Division of the Court of Session to the effect that it was within the competence of the arbiter to make the award in question. Their Lordships gave their decision after hearing Mr. T. B. Morison, K.C., and Mr. T. Graham Robertson for the appellants, but without calling on counsel for the respondent.

LORD HALDANE'S JUDGMENT

Viscount Haldane, in moving that the appeal should be dismissed, said that the question involved was obviously one of great public importance. The question was one of the construction of an Act of Parliament, and the point at issue was in reality not a difficult one. Under the Small Landholders Act smallholdings might be created in more ways than one. They might be constituted by agreement negotiated with the owner of the land on which it was proposed to establish them. If so, the landowner took care to get in his price what would compensate him for the loss arising from depreciation of his estate owing to the establishment on it of smallholdings. But if agreement was not come to, and the Board of Agriculture thought there should be smallholdings on that property, the procedure which the statute set up came into operation. That procedure included compulsory purchase under provisions

contained in the statute, and in the machinery was included a provision as to the compensation to which he would presently make reference. He desired to say at the outset, in order to clear the ground of a certain amount of argument which he thought was based upon misapprehension, that it was quite well established in the jurisprudence of this country that if Parliament declared something to be lawful, be it a railway or a system of smallholdings, and enabled people to make that railway or that system of smallholdings by the inclusion of compulsory powers, then no compensation could be claimed in the absence of any express provision by the Legislature. For that reason the Legislature had been in the practice of inserting compensation clauses in statutes which related to compulsory purchase.

THE ARBITER'S POWERS

Let him now turn to the provision on which the arbiter acted in this case. Section 7, Subsection 11, of the Act contained the following passage:—

Provided that where the Land Court are of opinion that damage or injury will be done to the letting value of the land to be occupied by a new holder or new holders, or of any farm of which such land forms part, or to any tenant in respect that the land forms part or the whole of his tenancy, or to any landlord either in respect of an obligation to take over sheep stock at a valuation or in respect of any depreciation in the value of the estate of which the land forms part in consequence of and directly attributable to the constitution of the new holding or holdings as proposed, they shall require the Board in the event of the scheme being proceeded with to pay compensation to such amount as the Land Court determine, after giving parties an opportunity of being heard and if they so desire of leading evidence in the matter.

In the present case the arbiter had found plainly enough that owing to the way in which the Board of Agriculture had selected the parts of Lindean on which they proposed to establish smallholdings depreciation had been caused in the selling value of the estate. From the map which their Lordships had had before them it was plain that such depreciation might well result in the mind of some person who was desirous of purchasing with considerations of amenity in his mind, and that he was likely to be deterred by the introduction of a series of 12 smallholdings in different parts of the estate. It might be true that the rental value was not affected. On the contrary, it seemed likely to be somewhat increased. The amount of rent received in one year was one thing, and the number of years' purchase which an owner might receive was another. In the present case the arbiter, to whom the statute delegated exclusively the duty of judging, had found that within the meaning of the words of the statute there had been depreciation in the possible selling value of the property, due to the constitution of these particular holdings in this particular place. If that was so, it seemed to him (Lord Haldane) impossible to say that the arbiter was acting outside his jurisdiction. The Legislature had thought it right to introduce the compensation provision. That being so, the arbiter had awarded this compensation.

ACTUAL LOSS

It was said that the compensation was really due to the prejudice caused in the public mind by the introduction of a new system—a prejudice which would be removed in the course of time. The arbiter, however, had found that the prejudice was due to the constitution of these smallholdings, presumably in the place and in the circumstances in which they were constituted. It was true that he had said that the landlord had no present intention of selling. What of that? According to well settled principles in the courts a man must make his claim once for all when he made it under circumstances of this kind. If new damages emerged hereafter he could not claim again. The arbiter was bound to take into account what had been called potential value, which affected the value of the estate for the purposes of sale and of security. Once they came to the conclusion that the arbiter had taken into account facts, and not merely the effect upon the public mind of the circumstances that the Legislature had passed the Act in question, it seemed to him that this conclusion was one free from reproach. It was not a

case of potential loss. It was a case of actual loss. That was sufficient to dispose of the appeal. In his opinion it must be dismissed with costs.

Lords Kinneir, Shaw, Parmoor, and Wrenbury delivered judgments to the same effect.

The appeal was accordingly dismissed with costs.

COST OF THE LINDEAN SMALLHOLDINGS

Mr. Dundas White asked the Secretary for Scotland, on February 22nd, if he will say how many small landholders are now in occupation of smallholdings on the estate of Lindean, Selkirk; what has been the total expenditure by the Board of Agriculture for Scotland in relation to these smallholdings, over and above the compensation of £8,588 4s. 3d. awarded to the proprietor and apart from the costs of arbitration and litigation; what is the aggregate annual rental payable by these small landholders, to whom it is paid, and what is the arrangement between the Board and the proprietor with regard to it; by how much the rental of the Lindean estate has been reduced owing to the establishment of these smallholdings upon it, and what was the amount of compensation awarded in respect of that reduction of rental?

Mr. McKinnon Wood: Eleven holders are now in occupation. The total expenditure to date by the Board of Agriculture for Scotland in relation to these small holdings—over and above the compensation of £8,588 4s. 3d. awarded to the proprietor and apart from the expense of arbitration and litigation, but including compensation of £990 awarded to the tenant—amounts to £5,829 11s. 4d., of which approximately £4,500 is recoverable either as loans for buildings and fences or as the value of unexhausted improvements. It should be noted that of the sum of £8,588 referred to, approximately £1,181 is also recoverable for existing buildings resold to the new holders. The aggregate annual rent is £343 1s., and it is payable directly to the proprietor by the tenants. The decrease in rent amounted to £152, but the arbiter held that this was more than compensated for by setting off against it the interest on the purchase price of the buildings and the saving on upkeep and assessments.

I was here witness to a scene which made me smile: at no great distance from the *chateau* of Liancourt, is a piece of waste land, close to the road, and belonging to the duke. I saw some men very busily at work upon it, hedging it in, in small divisions; levelling, and digging, and bestowing much labour for so poor a spot. I asked the steward if he thought that land worth such an expence? He replied, that the poor people in the town, upon the revolution taking place, declared, that the poor were the nation; that the waste belonged to the nation, and, proceeding from theory to practice, took possession, without any further authority, and began to cultivate; the duke not viewing their industry with any displeasure, would offer no opposition to it. This circumstance shews the universal spirit that is gone forth; and proves, that were it pushed a little farther, it might prove a serious matter for all the property in the kingdom. In this case, however, I cannot but commend it; for if there be one public nuisance greater than another, it is a man preserving the possession of waste land, which he will neither cultivate himself, nor let others cultivate. The miserable people die for want of bread, in sight of wastes that would feed thousands. I think them wise and rational, and philosophical, in seizing such tracks: and I heartily wish there was a law in England for making this action of the French peasants a legal one with us.—A. Young's TRAVELS IN FRANCE, 1787-9.

PARLIAMENTARY DEBATES

Vote of Credit, February 21st

Mr. OUTHWAITE: It is rather significant that a great financier the other day, Sir Edward Holden, addressing the shareholders of the Midland Bank, seemed to be in a most joyous mood as regards the expenditure of this country. He looked forward with absolute complacency to the day when we should have to raise £400,000,000 a year by way of taxation. I could scarcely understand it until I noticed that he said that in the case of future flotations it would be necessary to make them free of Income Tax. That is a most admirable condition for the financiers. If they can lend money not at the rate of 3 per cent., which prevailed before the War, but at 5 per cent., and then secure from the Government that that 5 per cent. shall be free of Income Tax, then the War is the most glorious proposition that ever came to the financiers of this country. It will leave them richer than they were before. I hope that the Chancellor of the Exchequer will not yield to any of the blandishments of the financiers of the City of London. What I regard with the greatest concern, in connection with the statement of the Chancellor of the Exchequer, as regards British credit, is the fact that such large sums can be raised by borrowing in contrast with the amount raised by taxation. We are constantly hearing of the need for economy, and we see these wretched, piffling, irritating little endeavours to limit expenditure by the closing of museums and by the skimping of some items in the education service, but the right way to enforce economy is by taxation. If you reduce the incomes of people by so much, you reduce their capacity for extravagance.

I held, at the beginning of the War, that you should have reduced the whole community down to something like a subsistence level by way of taxation, and taken the rest for the conduct of the War, and more particularly that the Chancellor of the Exchequer should open a new, and great, and fruitful source of revenue for the purpose of the War. At the beginning of the War a section of Members of this House drew his attention to the fact that there was a great field in this country to which he might go for revenue which was not taxed—that was, the land of this country—and that he should go to that source for the first revenue that he might require. The Chancellor of the Exchequer, I have no doubt, quite agreed with us and believed in the taxation of land values as to which he expressed enthusiastic views before the War. I remember a speech which he made once, saying, "When they ask us to tax bread, we will answer them by saying, 'No, but we will tax land values.'" But it is suggested that there is an objection to doing this now on the ground that it is controversial and could not be done during a time of war. His view of the land-owners of this country was that they would be so unpatriotic as to object to paying a tax upon the value of the land which men were being sent out to defend. I hope that they are not so unpatriotic as he conceives. I would desire to emphasise the encouragement of economy more than the question of raising fresh revenue. As the latter might not be altogether in order I believe that it would be in order to suggest a method of encouraging economy. There would be no better way of encouraging economy than by levying a substantial tax on the value of the land in the United Kingdom. You would not have then, as has been stated in the DAILY NEWS by a lady known in Tory circles, that in the country districts where she is, the farmers' sons hunt three days a week. If we had that taxation, the farmers' sons would have to work.

I do hope that the Chancellor of the Exchequer, when he comes to the question of raising these loans on this Vote of Credit, will make no engagements which will secure the land against taxation. When we consider the question of these Votes of Credit for such vast amounts, and when we regard our general position, I think we have indeed need for economy. I do not think we ought to regard only our position to-day, but that we ought to give some consideration to the future which we are likely to be creating for this country. It seems to me that if we raise these vast amounts, if we spend them in any way unnecessarily, we are going to lay a terrible and most unjust burden upon future generations.

MANCHESTER CHAMBER OF COMMERCE
AND FREE TRADE

The poll of members of the Manchester Chamber of Commerce on the subject of trade after the war was concluded on February 21st. The voting was as follows:—

For the referring back to the directors of the memorandum on Free Trade	988
Against	527
Majority	461

975 voting papers were not used.

It will be recalled that the report of the directors contained a memorandum declaring "that the Manchester Chamber of Commerce adheres to the policy of Free Trade, not a doctrinaire Free Trade but Free Trade for the purpose of admitting imports at the lowest possible cost, especially raw materials and semi-manufactured articles which are practically the raw materials of various trades—and resists proposals for protective tariffs, seeing that these tend to bolster up artificial inefficient industry at the expense of the community."

At the meeting of the Chamber on February 14th this memorandum was the subject of a debate, and Mr. H. Derwent Simpson moved that it be referred back to the directors for further consideration. Mr. Derwent Simpson said that the memorandum meant that there was to be Free Trade with Germany after the war. It would take years and years, he said, for us to overtake Germany in the matter of technical education (to our deficiency in which the Board had drawn attention), and in the meantime, according to the policy of the Board, Free Trade would reign supreme and we should be in a worse position than ever. Mr. Simpson's amendment, the effect of which was to refer the memorandum back to the Board of Directors, was carried, and, becoming the substantive resolution of the meeting, was carried again.

Forty members of the Board demanded a poll on the question, and this was held with the result stated above.

At the resumed annual meeting of the Manchester Chamber of Commerce on February 23rd the President announced that in consequence of the Chamber's adverse vote to the directors' memorandum in favour of Free Trade 30 of the 33 directors of the Chamber were prepared to resign. They would not withdraw their memorandum.

This announcement was followed by the leaders of the opposition to the directors' policy announcing that they would withdraw their amendments, which advocated after the war a commercial blockade of Germany and Austria, and reserve the declaration of their policy for consideration on a future occasion. There being no other business for consideration, the meeting suddenly terminated.

There is a lesson in the following item to other countries as well as to Egypt.

The Assouan dam and other irrigation works in Egypt have cost about \$53,000,000, but the increase in the value of land in middle and lower Egypt and the Fayoum provinces has been from \$955,000,000 to \$2,440,000,000. The total rent of this land has risen from \$82,000,000 to \$190,000,000.

So the increase in ground rent for one year would have paid more than double the entire cost of the dam and other irrigation works. But the Egyptian Government was not wise enough to appropriate it for such a purpose. Instead it followed the American method of issuing bonds to run for many years, and permitting private landowners to appropriate the increased values.

—(THE AMERICAN ECONOMIC LEAGUE.)

NEWS OF THE MOVEMENT

MANCHESTER LEAGUE

5, Cross Street, Manchester.

The following meetings have been addressed since last going to press: Swinton Debating Society (E. M. Ginders); Newton Heath Boilermakers' Society (J. F. Kilgarry); Rawtenstall Liberal Club (E. M. Ginders); and the weekly meetings of the Reading Circle have been held at 94, Sandy Lane, Chorlton-cum-Hardy, on Wednesday evenings, as usual.

In a letter from France, enclosing a subscription, Mr. E. Bruce says: "I am well pleased with the no uncertain way in which LAND VALUES has handled the various economic aspects of the war. At last the people have realised the immense value of a home-grown food supply, and LAND VALUES is the only paper that can or does give the real reason of the strangulation of agriculture and also the only way of liberation. In financial matters, too, our statesmen are all at sea. Not one of them can give the answer to the question, "Who shall pay?" And yet the tremendous revenue which rightly belongs to the State continues to flow into private pockets." Mr. Bruce concludes an encouraging letter by expressing the hope that the present year may see the cessation of hostilities and the enlistment of a great army to fight with intellectual and moral weapons the root cause of economic injustice—land monopoly.

During the past month the League's writers have sent many letters "to the Editor." Some of these have been printed in the YORKSHIRE POST, TORQUAY DIRECTORY, CO-OPERATIVE NEWS, and other papers, and in the first-named journal this has evoked more than one column of editorial criticism of the policy advocated in the letters.

ARTHUR H. WELLER, Secretary.

YORKSHIRE AND NORTHERN LEAGUE

71, North Street, Keighley.

Since our last report meetings have been addressed as follows:—

- Jan. 23.—F. Skirrow, Penistone I.L.P.
- " 30.—E. P. Ward, Bramley Socialist League.
- " 30.—F. Skirrow, Immingham Branch Nat. U.R.
- Feb. 3.—F. Skirrow, Shipley Branch Nat. U.R.
- " 6.—F. Skirrow, Barnsley Trades and Labour Council.
- " 13.—F. Skirrow, Mirfield Branch N.U.R.

Mr. A. W. Dakers, Newcastle, has addressed four very good meetings at Adult Schools, and also a Brotherhood meeting at Byker. The audiences at the above meetings were in full sympathy with the speakers, and where resolutions were put to the meetings they were carried. In almost every case our speakers were invited to return for further discussion.

F. SKIRROW, Secretary.

THE ENGLISH LEAGUE

376 and 377, Strand, London, W.C.

The paper read by Mr. F. C. R. Douglas, M.A., at the January Quarterly Meeting of the Central Council of the League will appear in the April number of LAND VALUES.

A member of the League, in remitting his Annual Subscription, has generously added "a special donation of £5,

which I hope may be applied as far as possible in distributing an extra number of copies of your paper on 'Land, Labour and Taxation after the War.'" The distribution is now being made, chiefly through the post, to members of the Labour Party and others interested in Labour Questions. The General Secretary will be glad to send copies to any names and addresses supplied to him by readers of LAND VALUES.

Many inquiries have been received at the League office about alleged utterances of Mr. Francis Neilson, late President of the League, at American meetings. A batch of cuttings from English Tory papers was sent to Mr. Neilson, who replies: "There is not a word of truth in the reports, save that I spoke at Brockton on our question, and told the story of our fight. With a Single Tax chairman, and many of our people in the audience, I had a fine time. You know I never heed Tory screeds." Mr. Neilson's many English friends will be glad to hear that his health is now greatly improved after his long illness.

Another large batch of pamphlets and leaflets on the Land Question has been bound into volumes and indexed and "cross-referenced" for use in the office and by our lecturers. The books in the League Library are being re-arranged and their contents catalogued. The Executive will be glad to receive gift copies of any books, pamphlets, or leaflets likely to be useful.

The following meetings have been arranged for March:—

- Fri. 3.—Wood Green and District Branch of the Women's Labour League, at Mrs. Briscoe's, 82, Berkshire Gardens: Fredk. Verinder, "Woman's Interest in the Land Question." 3 p.m.
- " 3.—Harlesden Branch, 89, Wrotesley Road, Harlesden: F. Bannister, "The Ethical Aspect of War." 8.15 p.m.
- " 10.—Harlesden Branch (as above): Fredk. Verinder, "Land Purchase or Land Value Taxation?" 8.15 p.m.
- " 17.—Harlesden Branch (as above): R. E. Downing, "Citizenship." 8.15 p.m.
- " 24.—Harlesden Branch (as above): Councillor Pratt, "Municipal Trading." 8.15 p.m.
- " 31.—Bowes Park Women's Co-operative Guild, Council School, Bowes Road: Fredk. Verinder, "Woman's Interest in the Land Question." 7.30 p.m.
- " 31.—Harlesden Branch (as above): J. W. Graham Peace. 8.15 p.m.

FREDK. VERINDER, Gen. Sec.

SCOTTISH LEAGUE

67, West Nile Street, Glasgow.

The Site Valuation Appeal decided by the Valuation Appeal Court at Edinburgh is both important and interesting. It is an Edinburgh case and the argument was heard by Lords Johnston, Salvesen and Cullen. The appeal was against a decision of John Waterston as referee in connection with the fixing of assessable site value on the sale by the Scottish Newspaper Publishing Company (Limited), Edinburgh, to His Majesty's Board of Works of property situated at 19, St. James Square, Edinburgh, in February for £2100. The respondents, the Scottish Newspaper Publishing Company, acquired the property in December, 1911, for £725. The Inland Revenue claimed increment duty on site value. The regular assessable site value was fixed as at April 30th, 1909, at £282, the full site value being £370. The Crown claimed that duty should be assessed upon the basis of deducting from the price obtained the same figures as were applied in the original valuation, bringing out a site value on the occasion of £1,332, thus showing an increment value of £1,050. The referee reported that the site value on the occasion should be fixed at £647, showing an increment of £365.

The Court, Lord Johnston dissenting, fixed the assessable site value at £950 and allowed neither party expenses.

The importance of this case lies in the power invested in referees to keep the real value of the site at a fraction of what it should be. It seems quite clear that a property bought at £725 and subsequently resold at £2,100, unless meantime there has been a very large capital expenditure in either repairs or rebuilding, the increase in value must be, in the main, due to the enhancement of the land value. This was the view taken by the majority of the Court. It is a distinct gain to have the assessable value recorded at a figure approximately near the full site value, which, according to one of the greatest of our Scottish legal luminaries, ought to be the real assessable valuation for purposes of taxation. One really wonders what the capital value of the "national heritage" would be if full site value was accurately ascertained.

Two hundred copies of the circular letter recently printed in *LAND VALUES*, along with copies of the leaflet with Scottish illustrations of the power of land monopoly to keep land out of use, have been issued to Trades Councils, railwaymen, miners, and other unions in Scotland. The Glasgow Trades Council and the Clydebank Trade and Labour Council have replied that the circular has been discussed and the resolutions forwarded to the individuals suggested.

The weekly meeting in the Rooms, and the Economic Classes at Dumbarton and Alexandria, have been carried on during the month.

JAMES BUSBY, Secretary.

WELSH LEAGUE

98—100, Queen Street, Cardiff.

An Executive Committee Meeting was held on Saturday, February 19th, at Cardiff. Dr. R. D. Chalke, M.A. (Chairman of the Executive Committee), occupied the chair, and amongst those present was Ald. P. Wilson Raffan, M.P. At the outset sympathetic references were made to the deaths of Lieut. Hinds, son of Mr. John Hinds, M.P., a Vice-President of the League; Lieut. W. H. Seager, son of Mr. W. H. Seager, of Cardiff, a member of the League; and Mr. Wm. Roberts, of Cardiff, a former member of the League. Both Lieut. Hinds and Lieut. Seager lost their lives on active service in France. Votes of condolence with the respective families of the deceased were passed.

A short report of the work done since the last meeting of the Executive was given by the Honorary Secretary, and the arrangements for the Annual Meeting were discussed. At the time of writing it seems probable that the Annual Meeting will be held at Cardiff on Saturday afternoon, March 18th. Members will receive the usual notice when the arrangements have been definitely completed.

Particulars of meetings not yet reported are as follows:—

Jan. 28.—Cardiff No. 7 Branch of the N.U.R.

Feb. 3.—Risca Trades and Labour Council.

Mr. A. H. Maxfield, an active member of the League, and also a member of the above Branch of the N.U.R., was instrumental in bringing about the meeting held on January 28th. He has selected suitable literature to distribute amongst his co-workers.

EUSTACE A. DAVIES, Hon. Sec.

UNITED COMMITTEE

The following bodies have adopted resolutions in favour of the taxation of land values in response to the United Committee's letter:—New Cross Railwaymen's Union; Ilford and Barking Compositors' Society; Keighley I.L.P., and New Southgate Women's Co-operative Guild. The last named body arranged a meeting at which Mr. F. C. R. Douglas spoke.

COLONIAL AND FOREIGN

BOLIVIA

Parliamentary Committee's Favourable Report on the Rating Bill

A Bill for the rating of land values in all municipalities of Bolivia was introduced in October of last year by Dr. H. Luis Labadenz. The Bill, which was backed by the leaders of the Liberal and Radical Parties (Muñoz Reyes and Elio), who have a large majority in the Chamber of Deputies, was referred to the Committee on Public and Municipal Administration. The Committee has now issued a report strongly commending the Bill, and has re-drafted it without any change of principle so as to make it fit in better with the legal system of the country.

The Committee say in their report that the Bill is among the most important introduced in the present legislature. It proposes "to substitute for the present system of taxing land in municipal areas, which as it includes the improvements falls very heavily on such districts, a tax on the value of the land, taking into account the net or intrinsic value only."

"Up to the present economic science has made little advance among us, and if a survey of our past legislation be taken it will be found that we have not progressed since the early days of the Republic. Tariffs have been imposed on exports and imports, and always on this principle: wherever a new industry has sprung up the law has at once pursued it with an impost even before it has attained to full development, and when the industry has disappeared through competition of similar industries or from other causes the treasury has had the utmost difficulty in replacing it. We have examples in the case of silver and cocoa, and although tin, copper, and other metals now make some contribution to the exchequer they too were at one time depreciated and disappearing, to such an extent indeed as to bring our national economy to the verge of ruin.

"We are continually deploring the lack of capital for developing the riches which are locked up in our land and lamenting that although we possess them to a fabulous extent we cannot touch them and so we have actually become the poorest country in the world. And further, as soon as an industry is set going with the object of extracting these riches, the legislator takes action and imposes a tax on it as if to punish for his boldness the man who dares to expend his capital and energy in drawing out the treasures of our land.

"The case is the same in municipal as in national life. When an owner expends his capital on putting up a modern building and assists the community either by providing better services or by making his land more productive, he is immediately subjected to the burden of our present land tax [local rates] as if to penalise him as much as possible. Yet others who own great stretches of land which they keep unbuild-on and completely unused while they sit with folded arms expecting that circumstances will increase the value of their land do not pay one cent to the municipal treasury and thus receive a kind of reward for their indolence and lack of enterprise.

"In fact, the producer who increases the national wealth by investing his capital and exerting his labour is condemned on that ground alone to pay heavier taxes, whereas the contrary should be the case, and the State or the municipality should recompense him who makes two ears of corn grow where only one grew before by exempting all the

improvements which he makes and by taxing him only according to the value of the land he occupies.

"On this account the Committee accepts and approves of the idea underlying this Bill, which, although it applies only to land within the boundaries of municipalities, will be the beginning of a beneficent and fruitful reform in our system of taxation if, as we hope, it is accepted and passed into law."

The Committee then proceeded to give the text of the Bill as re-drafted, but as this does not differ in its main principles from the original draft, as published in our December issue, we do not reproduce it. We may summarise its provisions as follows: the present municipal "land tax" is to be replaced by a tax on land values only at the rate of one-half of one per cent. on the capital value of the land in municipal districts; a survey and valuation of the land is to be made and revised every five years; the municipalities are not to levy any other tax to defray the expense of public lighting, street cleaning, sewers, and public health services, nor are they to tax any industry or factory; exempted from taxation are, places of worship of the Catholic faith, free primary schools, charitable institutions, and properties of the State or the municipalities. There is every prospect of the Bill being passed at an early date as it is supported by the Liberal and Radical parties, who have a considerable majority, and as it is unlikely that the Conservatives, as a party, will oppose it.

BRAZIL

The legislature of the State of Sao Paulo (Brazil) has adopted a motion, introduced by Dr. Rocha Barros, asking the Treasury to supply the House at its next session with data as to the value of landed property in the State and the feasibility of a tax on land values for State purposes. It is worthy of note that the principal paper in the State, O COMMERCIO DE SAO PAULO, is a warm advocate of this proposal.

Dr. Manoel Octavio Souza Carneiro, Mayor of Nitheroy, the capital of the State of Rio de Janeiro, advocates in his annual message the introduction of the Single Tax in that city, and announces that he has already ordered a survey and valuation of the land so that the reform may be set in operation next year. This message is a very remarkable document. Dr. Carneiro says in it: "It seems to me that the fundamental idea for a great national party to-day must be the radical reform of our stifling tax system. The revision would have to take the direction of the Single Tax of Henry George. This is not the place to expound the fundamental ideas of this doctrine, nor to exalt its high moral and social beauty. But even when considered only from its exclusively economic aspect it is admirable. While every other tax is always parasitical and prejudicial to the growth of individual wealth, the Single Tax on the real value of the land is a factor stimulating economic life, an agent of the public welfare."

Dr. Carneiro's reference to a National Party is important in view of the fact that his proposal must be sanctioned by the President of the State, Dr. Nilo Pecanha, who is a possible President of the Republic of Brazil. It may be inferred that Dr. Pecanha is sympathetic to this reform. The leading paper in Rio de Janeiro, O JORNAL DE COMMERCIO, gives the message high praise as a statesman-like document.

It will be remembered that in another State of Brazil, Rio Grande do Sul, improvements are already exempted from taxation to some extent. The President of this State in his annual message to the legislature said: "The land tax is the centre of our tax system, and one day it will be the only tax (impuesto unico) in our budget, in accord with the economic ideal embodied in our State constitution. But it is necessary to move slowly in the adoption of this system as its establishment depends on the development

of certain industrial resources and the gradual extinction of the taxes on export and on the transfer of property." It is likely that the action anticipated in the States of Sao Paulo and Rio de Janeiro will quicken the rate of progress in Rio Grande.

URUGUAY

The legislature of Uruguay has just voted a measure for the taxation of land values. We are not yet in possession of the full details of the Act, but it appears to exempt all improvements in rural districts from taxation and to impose a tax of one-half of one per cent. on the value of such land. Improvements in urban districts will remain subject to taxation, the rate of taxation on the gross value being $6\frac{1}{2}$ per thousand.

CANADA

Ontario Commission on Unemployment Favours Land-value Tax

The Commission on Unemployment appointed some time ago by the Government of Ontario has now issued its report. In addition to recommending certain palliative measures, the Commission lays stress on the need of a vigorous policy of land settlement. The report says that greater access to the land by means of cheap and rapid transit would prove of great advantage to urban workers, especially in periods of unemployment. An improvement in methods of taxation, by which speculation in land would be made unprofitable, would assist in making this possible, and is equally desirable for other reasons.

"The question of a change in the present method of taxing land, especially vacant land, is, in the opinion of your Commission, deserving of consideration. It is evident that speculation in land and the withholding from use and monopolisation of land suitable for housing and gardening involve conditions detrimental alike to the community and to persons with small means. Further, land values are peculiarly the result of growth of population and public expenditures, while social problems greatly increase in proportion as population centralises, and the relief of urban poverty calls for large expenditures from public and private sources. It appears both just and desirable that values resulting from the growth of communities should be available for community responsibilities. Wisely followed, such a policy involves no injustice to owners of land held for legitimate purposes, and the benefits which would follow the ownership and greater use of land by wage-earners justify the adoption of measures necessary to secure these objects as quickly as possible."

UNITED STATES

Report of New York Tax Committee

Two reports were filed on January 17th by the Committee on Taxation appointed by Mayor Mitchel of New York. The majority report recommends abolition of the personal property tax, and suggests instead an occupation tax, a tax on salaries, and a habitation tax, to be assessed against all rent-paying residents, and graded according to the rent they pay. A tax of one per cent. on future increase of land values is also recommended. The report is signed by seventeen members of the Committee, including Professor Seligman.

The minority report was signed by seven members of the Committee, including Lawson Purdy, Frederic C. Leubuscher, Delos F. Wilcox, and Frederic C. Howe. These advocate untaxing of improvements as well as of personal property, and placing of the burden on land values instead. They dissent from the majority recommendation in regard to occupation, income and habitation taxes.

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JOURNAL OF THE MOVEMENT FOR THE TAXATION OF LAND VALUES.

Twenty-Second Year—No. 263.

APRIL, 1916.

id. ; Post, 2/- per annum.

Telephone: Victoria 7323

Telegrams: "Eulav, Vic., London."

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NOTES OF THE MONTH

Another Attack on the Land Valuation.

As we go to press we have the report of a debate on 28th March in the House of Lords on the Land Valuation. Lord Oranmore and Browne, the Earl of Meath, Viscount Middleton, Lord Parmoor, the Earl of Cromer, and the Marquess of Salisbury protested against the maintenance of the Valuation Department, bringing forward the familiar contention that it was costing more than the yield of the land value duties. It is not necessary to go over this ground now. The valuation must be proceeded with for much greater objects than the collection of the existing duties, and the Government dare not interfere with it. This was frankly acknowledged by the Marquess of Crewe who, speaking for the Government, said that practically all the speeches had made it clear that the question of land valuation was liable to awaken the sleeping party dogs. He thought it important to point out that an attack levelled at this institution would arouse a profound feeling in the minds of many people. Not only land taxers and land nationalisers, but the Liberal Party and the Labour Party would regard an attack upon the principle of valuation of land for the purpose of special taxation as a definite breach of the party truce, and would refuse to believe that it was inspired by a desire for economy or the necessity of obtaining more men for the Army. The fact remained that a proportion of the people of this country who favoured land valuation felt that the debate was not inspired by a desire for economy or for recruits, but was inspired by a desire to drive a wedge into the principle of valuing land for the purpose of taxation.

In these days of shifting policies and uncertainty as to what further surrenders are to be made to privilege and reaction, it is gratifying to record this straightforward declaration that the Government will in respect of the valuation allow no breach of the party truce. The debate is fully reported elsewhere in this issue

and clearly reveals the motives of the noble lords' attack on the department which has been so long engaged in reducing the monopoly in land to concrete figures.

The Protectionist Campaign.

The Protectionists have found an unexpected ally in the Prime Minister of Australia. Mr. Hughes has devoted most of his public utterances in this country to the theme of excluding Germany from British markets after the war. His primary pretext for this is a military one—to frustrate what he regards as deep-seated policy on the part of Germany to obtain control of important industries in this country and the colonies so as to injure us in the event of war breaking out. We would be able to pay more respect to this argument if Mr. Hughes showed any appreciation of the economic effects of the policy he proposes for this policy must inevitably injure British trade and impoverish British citizens. We cannot believe that he is ignorant of these facts, for in Australia he has been an able champion of Free Trade, but if he has not become a Protectionist pure and simple he should frankly point out the disadvantages of his policy.

It is remarkable that, although he urges this country to adopt the protective tariff which is robbing the Australian workman, Mr. Hughes does not recommend us to adopt the taxation of land values which has been the most substantial cause of Australia's prosperity and by opening up to labour opportunities of employment has to a considerable effect counteracted the evil effects of the tariff. He invites us to share Australia's disadvantages without sharing in her blessings.

No Bargaining with Protectionists.

Mr. J. H. Thomas, M.P., struck a false note at the mass meeting of railwaymen he addressed at Grimsby on March 26th. Instead of denouncing the recent

reactionary speeches of the Australian Prime Minister in favour of Protection, he made a bantering statement that if "tariff reform" was to be forced on the workers, they must get Australian labour legislation and 10s. a week Old Age Pensions in exchange. That may be sarcasm; if so it is peculiarly trivial and ineffective. It gives the impression that Mr. Thomas is not out to fight Protection. He would just as soon have less liberty than more, and it matters not where State benefits come from, or by what process of taxation, so long as "labour" enjoys part of the spoils of robbery. Politics of this kind are degradation, as Mr. Thomas will find if he pursues such a scheme of bargaining with the advocates of more monopoly and privilege. He will get all the Protection at once and a legacy of thirty or forty years of bitter fighting for socialist palliatives that will never even mitigate the evil; and in the end the robbers will be more entrenched than ever. Why not tell the truth that Protection is as great a swindle in Australia as it would be in the United Kingdom and that if Australia is to play its part in promoting goodwill and the welfare of mankind it must first abolish its tariffs? After that and not till then can Australia afford to be represented by its politicians with a fiscal message to the democracy of this country.

Mr. Runciman on Trade after the War.

Mr. Runciman's interview with an American journalist reported in the newspapers of March 21st is a more reassuring statement than his recent speech in the House of Commons. He said:—

We in England have not grown so foolish as to believe that one nation becomes rich on another's poverty, or that the Bismarck policy of bleeding your enemy white, as he bled France in 1871, is good for either individual nations or for Europe as a whole.

Unfortunately there are quite a number of people who still believe in this ancient fallacy and they have been encouraged in their belief by speeches made by various members of the Government. It is to be hoped that Mr. Runciman's statement represents the view of the Government as a whole, and that this aspect of the case will be emphasised in future by Free Traders. The Free Trade position must not be abandoned because a section of the Press chooses to call every Free Trader a pro-German.

Fiscal Policy after the War.

The Cobden Club has issued an opportune pamphlet, written by Mr. J. M. Robertson, M.P., on "Fiscal Policy after the War," which deserves a wide circulation in view of the determined effort which is now being made by the Protectionists to utilise resentment against Germany for the purpose of introducing a system of protective tariffs in this country. Mr. Robertson, who shares this resentment, argues that whatever one's attitude to Germany may be the tariff policy is a short-sighted and mistaken one.

In the first place, he says, if an indemnity is to be paid by Germany the only way in which it can be paid is by the export of German manufactures, and to boycott German goods is simply to boycott Germany's means of paying an indemnity. The second effect of a boycott would be to throw Germany into the arms of the neutral powers who would do less trade with this country. "The world would settle down into two vast trading

groups: Germany, Austria, Bulgaria, dealing with all the neutrals; the British Empire, France, Russia, Belgium, Italy, dealing with each other and getting what neutral trade they could." This would be particularly unfortunate in Mr. Robertson's opinion, because "our group is now heavily indebted to the United States, and *must* export thither to pay its debts if it is not to have a heavy exchange against it," and consequently the driving of the main force of German competition into that market will make it all the harder for us to liquidate our debts.

Mr. Robertson very wisely reminds us of the growth of opinion in favour of lower tariffs in Germany and the United States before the war—a movement which is likely to be strengthened in Germany by bitter experience of high food prices during the war. If we are really anxious for the peace of the world we should do nothing to hinder the movement towards freer commercial intercourse. "Tariff wars have been seen to be the prelude to war for markets. Let not such a war, precipitated by a blindly self-seeking Power, be made a pretext for a policy which will but educate other Powers up to the same ideal."

Infantile Mortality.

An important article on Infantile Mortality written by Dr. William A. Brend appeared in the March issue of the NINETEENTH CENTURY. He points out that the rate of infantile mortality is lowest in rural districts and highest in urban districts. This is the general rule not only in the United Kingdom, but in other countries as well. The difference in Dr. Brend's opinion is not due to poverty, maternal ignorance, defective sanitation, or antenatal conditions—"infants of all classes are born equally healthy." It is due to the unhealthiness of an urban environment. "Practically all diseases are less fatal in rural districts, and the difference is most marked in disease of the respiratory system and enteritis, conditions which in the aggregate account for nearly one-third of the total deaths in the country." The disadvantage of the towns is the dust and smoke, the air is filled with poisonous dirt and a large fraction of the sunlight is cut off. Dr. Brend says: "Under these conditions the evil of a bad indoor atmosphere is not remedied merely by opening windows, for the 'fresh air' thus admitted is probably as deleterious as that inside the rooms. From the biological point of view man is essentially an open-air animal. . . . For the human species the mud cabin on the open moor is a healthier home than the finest mansion in Mayfair."

A Problem of the Land.

It follows from all this that infantile mortality is "a problem of the land" as Dr. Brend calls it in the sub-title of his article. "The lesson to be learnt . . . is that the surest way of improving the health of the nation is by increasing the proportion of the rural population, developing the Small Holdings Acts, and extending town-planning schemes. Although we have one of the most productive soils and favourable climates in the world, the proportion of the rural population has been steadily declining, millions of acres have gone out of cultivation and wide areas have been changed from arable land to pasturage. The census of 1861 showed in England and Wales an urban population of approximately 10,961,000 and a rural population of 9,105,000; in 1913 these numbers had become

29,004,000 and 7,915,000, so vast is the change which has taken place within little more than half a century. In the same period the Irish population has diminished from 5,799,000 to 4,379,000. In Scotland, year by year, the people leave the hills and glens to crowd into the industrial centres or seek their fortunes abroad. The war has brought home to us the grave disadvantages of depending upon foreign sources for a large proportion of our food-supply, and it is certain that the future prosperity of the British Isles depends in great measure upon increase in agriculture and other rural occupations. Development of the land is one of the directions in which we must look for finding work for discharged soldiers. The argument is reinforced a hundred fold by the facts that it affords the best means of securing the health of the people; that it enables vast economies to be effected in the national expenditure upon hospitals, medical services, and insurance; and that it reduces crime, intemperance and other evils which sickness brings in its train."

We have quoted this at length because it affords a striking illustration of how the earnest seeker after truth in regard to almost any social problem will be brought up against the fundamental importance of the land question, and also because Dr. Brend's conclusions form a most weighty argument in favour of land reform.

The Failure of Palliatives.

Recognising the necessity for a sweeping measure of land reform, Dr. Brend estimates at its true value the palliative legislation which has been passed in recent years. "The Insurance Act, regarded as a means of improving the health of the people, has been largely a failure. The medical service is seriously inadequate; maternity benefit, though it has increased the comfort of mothers, a great thing, has not been followed by any reduction either of the maternal or infantile death rates; the provisions intended to reduce bad housing, defective water-supply, &c., have been a dead letter; while at the recent meeting of the Society of Medical Officers of Health there was a remarkable consensus of opinion that sanatorium treatment among the working classes who cannot continue to live under hygienic conditions is of very little value in curing or preventing tuberculosis, a lesson which might have been learnt long ago from German experience."

Would that all social reformers realised the importance of eliminating the causes of social ills instead of endeavouring to mitigate the effects by palliatives. If even they would learn by the failures of the past there would be more hope of a final solution; but the danger is that a host of new palliatives will be introduced in order to obscure the failure of those that have been already tried. Dr. Brend's paper will provide those who insist on the urgency of doing first things first with a useful armoury.

Fewer People in Prison.

Speaking at the annual meeting of the Glasgow Discharged Prisoners Aid Society on March 17th, Dr. James Devon, Prison Commissioner for Scotland, said that "there were fewer people in all the prisons of Scotland at present than there were ten years ago in Duke Street and Barlinnie. The numbers were going down before the war and had gone down steadily since. This was not altogether due, as was sometimes said, to men who were sent to prison before being now sent to the front. A proportion of them had joined the Army; some made good fighters, but a good many of them

did not, while a few would be a bigger nuisance in the Army than they were outside of it; but when the successes and the failures in the Army were taken into account the total drop in the statistics was not wholly accounted for. It was not due to the Liquor Control Board, because the consumption of drink had not diminished. The remainder was composed of men who were wanting in steadiness but not in patriotism, who in ordinary times rarely worked more than three months without requiring a change, which need not be for the better. Through unsteadiness they drifted into mischief. These men were now doing more work than they ever did before, and the reason why there were fewer persons in prison than at any previous period in his lifetime was simply because the men were better paid and better able to look after themselves."

Those who imagine that criminals are born and not made would do well to study this statement by a man who has every claim to speak with authority. That portion of the community which manages to keep outside the prison walls should not forget that they are responsible for the existence of social conditions which prevent their fellow-men from earning an honest living. We are as much responsible as the criminal himself, and until the path of right doing has been made a little easier there is no ground for the belief that all men are in prison because of their own vicious nature. A man has a right to keep himself free from prison, and it is the duty of Society to see that its laws do not force him to this kind of life.

Land Settlement for Soldiers.

The Report of the Departmental Committee on Land Settlement for soldiers and sailors has received a certain amount of criticism because of the high price that the Committee contemplate paying for the land. It has rightly been pointed out that a price of £40 an acre will so waterlog the scheme from the start as to make its failure certain. The Committee's estimate is, however, justified by past experience of such experiments. Under the English Small Holdings Act the average price of the land purchased has worked out at well over £32 an acre, and even so the difficulty of acquiring land has been so great that every year since 1909 the amount of land obtained has steadily diminished (see LAND VALUES, May, 1915, p. 277). In Scotland the experience has been similar. In the Lindean case, for instance, the cost of setting up eleven smallholdings has amounted to £14,417 of which £4,500 is said to be recoverable, leaving a net cost of £9,917 or £901 per holding. The Departmental Committee who have estimated the cost under their scheme at £400 or £500 per family may be assumed, therefore, to have made an under-estimate, especially when we remember that an attempt to set into operation a large scheme of purchase will inevitably cause a large increase in the price of land. The practical conclusion is that the proposals are foredoomed to failure, because they are fundamentally wrong. Instead of compelling the landowner to come to terms with those desirous of obtaining smallholdings, the State is to be asked to submit to the landlords' terms. What about the urgency of a national tax on land values as a means of raising revenue and of reducing the price of land, and why are the politicians so blind to the virtue of making the landlord pay rates and taxes on the full value of his land whether used or not, and of exempting the smallholders' industry and improvements from taxation?

LAND VALUES

Twenty-second Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.
(United States and Canada, 50 cents.)**Editorial Offices:**The United Committee for the Taxation
of Land Values,
11, Tothill Street, London, S.W.

Telegrams: "Eulav, Vic, London."

Telephone: Victoria 7323.

*All communications to be addressed to the Editor.***"OUR POLICY"**

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—
Henry George.

POVERTY AND WASTE

Among the many questions forced to the front during the present war, the need for personal economy, especially in expenditure on things roughly classed as luxuries, has been preached from the house-tops as an urgent and imperative individual duty. Discussion of the financial and economic benefits the State would gain by such personal saving has brought on the stage writers with whom many of us were before unfamiliar. Prominent among them is Mr. Hartley Withers, who, as author of *WAR AND LOMBARD STREET* and other books on money and banking, has earned the right of respectful attention to what he may say on kindred questions. He holds views concerning economy which he applies not merely to the accidental circumstances dictated by the war but also to normal social life; and his recent work, *POVERTY AND WASTE*, as the title suggests, is an attempt to find the cause of poverty simply in the unwise personal expenditure, in the wasteful extravagance, of the individual. It is not a new doctrine but it is expounded with so much enthusiasm and vigour in this book, and is so commonly accepted, that it deserves more than passing notice.

Mr. Withers leads off with an introduction on the disillusionments of civilisation and the poor lot of the wage earner. He shows how, despite the wondrous power we have acquired in extracting from Nature's storehouse an abundance which should provide every worker with all that is needed for a full and happy life, there yet remains an uneasy and well justified feeling that he is "not one whit the better off." We command productive powers till lately undreamed of, and yet large numbers without whom industry could not be carried on at all live lives pinched and cramped and devoid of the simplest decencies, while at the other end of the scale are men of quite ordinary intelligence and acquirements who are in enjoyment of princely incomes in return for little or no useful service. He then proceeds to inform us how a fundamental change for the better may be made:—

"A remedy would be found at once if those who have money to spend would grasp and act on the very simple fact that, since the producing power of mankind is limited, every superfluous and useless article that they buy, every extravagance that they commit, prevents the

production of the necessaries of life for those who are at present in need of them. The man who cannot be comfortable without half a dozen motor cars and pursues his own comfort by buying them, thereby takes bread out of the mouths of the hungry."

There we have Mr. Withers' text. Now it is one thing to condemn to perdition a civilisation which implies poverty and luxury cheek by jowl: it is quite another to say that the luxury is the cause of poverty. The statement is made again and again throughout the book; but from cover to cover of proof there is none. The assertion (we will not say argument) is that if expenditure on luxury were curtailed the money saved would be invested as working capital for the production of necessaries. The effect would be (a) increased production of necessaries, (b) lower prices of necessaries due to greater production, (c) increased demand for labour because of the increased capital devoted to its support, (d) wages would therefore rise and the wage earner be enabled to buy the increased production of necessaries.

This is Mr. Withers' case, and it is easy to see how he arrives at it when he accepts as axiomatic the theory that money saved from consumption and invested as capital will employ more labour, increase production and lead to general prosperity—surely a remarkable conclusion for one who insists in his introduction that, notwithstanding the wondrously increased production of modern times, "the struggle for existence was never fiercer" than it is to-day. In one breath he laments that poverty has kept pace with increased powers of production and in the next advances as a cure a course of action alleged to cause still further production.

But letting that pass, what support is there for the oft repeated assertion that money saved from consumption and invested, will increase production and raise wages? Do facts support the idea? Take at random the case of our railway companies which, instead of distributing profits to the hilt, are now devoting part to the capital expenditure necessary for electrification of their lines. It is true, as Mr. Withers says, that the efficiency of the Railway Company has risen, for more goods and passengers are carried than before. But does that mean higher wages and cheaper necessaries for the railway companies' servants? We know it does not. Why, the whole elaborate structure built up by Mr. Withers falls to bits when faced by simple facts like this. It is only our venerable grey-bearded friend the Wage Fund Theory, long since blown to powder by Henry George, once again called on the stage. It is the theory (presented to us in the attractive rôle of the pleader for economy) that the demand for labour is limited by the amount of capital available. We would have thought that labour is not limited by capital but rather by the natural resources to which it is allowed access, and that wages will rise or fall according as that access is free or restricted. Yet it is a notable thing that though this book purports to discuss the wage question from bottom upwards, there is not to be found from cover to cover a solitary reference to how wages are affected by the terms on which labour is permitted access to natural resources. In the author's own words towards the end of his book:—

"We have encountered the capitalist, the employer or manager, with his staff of clerks, the workman, the conveyer, the merchant, the broker, the advertiser, the retail dealer, and the banker who provides them all with currency and credit."

Why amid this galaxy not even a distant reference to the "interest" that dictates the terms on which the natural element vital to them all may be used? Mr. Withers' aim is increased supply of necessaries. Is it too much to suggest that as a means to this end, freer access to nature's storehouse might be of some effect? To return to our author's proposition which he advances as one which need only be stated to be accepted, viz. :—

"by buying luxuries we are stiffening the price of necessaries and so making the poor poorer."

and that

"everyone can do something to solve the problem of poverty by lessening expenditure on luxuries and adding to the stock of available capital."

Let us test the truth of this in the simple case of a community consisting of, say, a farmer, a fisherman, and a wage earner employed by them in making "frizzeries." Suppose, now, they sternly resolve to stop spending money on such frizzeries, invest what they thus save in agricultural implements and set the man to work food growing. Is there even a shadow of a reason to expect that he will, because of the change, get any rise in wages out of them? Is it not true that they will in any case only pay him as much as he has the power to enforce? And if, owing to all the land being owned by them and shut to him, he has no alternative but to work in their employment, why should they pay him a penny more than a living wage whether it be luxuries or necessaries they chose to put him on to? The man's labour has merely been directed from the production of "frizzeries" to the production of food but the amount of labour in demand is not increased by one jot or one tittle and there is no new force set to work which makes for higher wages. So we are brought back to Mill's dictum :—

"a demand for commodities is not a demand for labour."

In support of his axiom that capital is the result of saving and the greater the amount of it the higher do wages rise, Mr. Withers asks us to picture an aboriginal fisherman fishing from the rocks with rod and line

"who lays up a store of dried fish and keeping himself alive thereon makes himself a canoe and thereafter can paddle out to the banks which lie two or three miles from the shore where in one day he can get as many fish as he could catch from off the rocks in a week."

Has not, he asks, this abstinence resulted in the production and use of capital (the canoe) and a higher return to the man's labour? It has. But take a step further and suppose the fisherman owns all the land and the forests. Suppose also that he has a dependent who cannot get any of the land and that he employs this dependent to fish in the canoe; would he pay him even a fraction more than he did before there was any canoe in the question? The only way for that dependent to better himself would be to gain his economic freedom, and this he could gain in no other way than by getting access to the land and the forests so that he could build canoes and fish "on his own," if he desired the alternative. So our reply to Mr. Withers is: not through the saving of the rich and their investment in production is the condition of the wage earner to be bettered but through the opening to him of natural resources now locked up. In this way he will gain independence and an alternative to wage labour.

It is quite true that did we live in a society where each man's share of the total produce was commensurate

with his contribution to that total, the more the luxuries produced the less would there be left of necessaries for those who want them. If this were all Mr. Withers meant every one would agree. But he is not writing of such conditions, for they do not exist though they ought to. He is writing of present conditions under which some put very little into the pool and take a great deal out, while others put a great deal in and take very little out. This is not because of the fact that some people consume luxuries instead of saving and investing in necessaries. It is because the control of opportunities is in the hands of a privileged few, so that the majority cannot get access to land or minerals of any kind without their leave. The law even puts a premium on the locking up of land by exempting unused land from taxation. So long as such conditions remain, the inequality which Mr. Withers deplors will remain too. This denial of man's most elementary right causes, among other things, an unstable condition of the labour market. The outlets for work being thus limited, there are, in normal times, always more men seeking for work than there is work for; which causes the wages of the labourer to tend to the mere living point whether the minority please to revel in luxury or not. Wherever opportunities are restricted we find an overcrowded labour market, the demand for labour less than the supply, and as a result—poverty. The self-denial of the rich or the investment of their capital in the production of necessaries will make no difference.

In confirmation of this we invite Mr. Withers to consider the history of every new settlement where there is plenty of good land open but scarcity of capital. If the scarcity of capital really limits employment, as Mr. Withers says it does, wages would be low in these settlements and there would be unemployment. But we know that the very opposite always is and always has been the case, and that in all new countries, where land is easily available, wages commence by being high and work plentiful, but that, despite increase of capital, they suffer a relative decline and unemployment makes its appearance just as land gets privately monopolised. Will Mr. Withers explain? Again, in old countries like China and India capitalists are tumbling over each other in their eagerness to provide capital for all kinds of enterprises. Will Mr. Withers explain why the wage earner's condition is so miserable there?

Mr. Withers' position is a curious one. His sense of justice is outraged when he sees consumption of luxuries by those who earn little or nothing if measured by any services they render. His remedy is that they should forego such consumption. He wishes them, by a self-denying ordinance, to renounce the fruits of an economic system which enables them to appropriate the earnings of others. After you have done the plundering and the damage is complete you are to decline to enjoy the proceeds. Ought we not all to realise that merely to abstain from spending wealth which laws, as they at present stand, enable some to acquire at the expense of others, cannot in any way repair the evil done in process of obtaining it? It matters not the least, so far as poverty is concerned, how those who appropriate land values spend them. The proceeds may be squandered in luxurious living, they may be converted into capital. The trouble with the wage earners, in any case, is that they produce in plenty but can only consume a small part of what they produce owing to the various tributes and restrictions they are subject to. Mr. Withers proposes only to change the kind of things

they produce, though how this is going to increase the quantity they can purchase, so long as the tributes on their labour remain, passes the wit of man to see. To increase what they can demand they must increase what they have to offer—no supply without demand and no demand without supply. Mr. Withers locks the door when the steed is gone. We wish he had shown a way to stop the robbery. Was not John Ruskin right when he said:—

“The question is not how a man spends his money but how he gets it”?

This is the question which is pressing for an answer and which our politicians and publicists will not touch or only write round about. The calamity is upon us, and old-time arguments dressed up to suit the occasion are being put forward to lead us back to positions long since abandoned. But this bottom question remains: How does a man get his wealth? Not till that is answered shall we know why labour does not get its share, and when it is answered we shall discover how intimately is bound up with it the unlocking to all of the natural resources of the land. The way will then be open for a lasting solution of economic problems.

W. R. L.

ORGANISED CHARITY

(Percy Flage in the SINGLE TAX HERALD, Philadelphia.)

Not long ago the good people of your Charity Organization Society held an educational exhibit on Chestnut Street. One of their signs invited me to “put brains into charity.” Perhaps I have no brains, for it is clear to me that charity is a nuisance, a disease of which society should be ashamed. Few people listen to me.

It appears to me that charity is due to poverty; poverty is due to lack of goods; goods are made by labour applied to land; there is unemployed labour and unused land; if unemployed labour be allowed to use the unused land it can make goods, and will not need charity. The C.O.S. may then disband and do useful work. As for me, they will not be sending me hurry calls for help every little while.

That's a glorious program. And every step as logical as Euclid! I put it up to one of the C.O.S. men and showed him that it was as easy as rolling off a log, but he said there was a flaw in my reasoning; the land was owned by men who would not use it; nor would they allow any one else to use it. What a strange custom for a City of Brotherly Love!

Then I reasoned with him and showed him (or thought I did) how a few doses of single tax applied to vacant land would solve the problem; would unlock land, unchain labour, and would allow the C.O.S. people to engage in production instead of being an expense to Philadelphia.

The C.O.S. man did not answer my argument; he simply looked weary. He said: “You're a theorist!” I acknowledged I was trying to put brains into charity. But he had no time for me; he turned away and asked contributions from charitable people who never put brains into charity, because they haven't any to spare. It is easier for such people to give money than to think. He said they were “practical.” But it struck me that they were not arriving.

That was a good sign. If the world would take the advice there would be no more charity—Charity is a disease—a dangerous one. Why not stamp it out? We have conquered smallpox—that's almost as bad. Try single tax—there is hope! Please don't think I am trying to sneak a patent medicine ad. into your “Mail Bag.” It is not patented, and my advice is not copyrighted.

THE KEY TO SMALL HOLDINGS

BY

James Dundas White, LL.D., M.P.

The war has brought home to us the importance of making better use of the land, and various schemes for small holdings have been put forward, most of them based on land-purchase, and some of them having but little regard to price. There is, however, a better method of securing to the small holder the conditions which make for success. What these conditions are may be considered first.

Conditions of Success.

The small holder must not have to pay too much for the land. If he has to pay too much for it then, whatever form that payment may take, his undertaking is waterlogged from the outset. The amount which he has to pay for the land may make the difference between failure and success.

The small holder requires secure and continuous possession of the land. As Arthur Young wrote more than a century ago, “Give a man the secure possession of a bleak rock, and he will turn it into a garden; give him a nine years' lease of a garden, and he will convert it into a desert.”

The small holder should be able to make whatever he considers the best use of the land, free from any restrictions except those which are imposed by law for the general good. He should be able to realise his interest at any time and in any way, free from restrictions on transfer. He should have every opportunity of developing the land, free from the disadvantages of being rented or rated or taxed on his improvements.

The Fundamental Rule.

The first step is to base the valuations for rating and taxation on the selling value of the land alone, or at least to do so as far as we can. On that basis, those who hold the land should be required to pay for it, whether they use it or not. The adoption of this fundamental rule is the key to a satisfactory system of small holdings. The pressure of the obligation to make continuous payments would soon induce those who are holding land idle, or without using it adequately, either to use it themselves or to dispose of it to others.

Land on Reasonable Terms.

The amount which has to be paid for particular portions of land depends largely on the available supply of land, and at present that supply is narrowed by the holding back of a considerable quantity of land which might be used if it could be obtained on reasonable terms. The proposed system of taxation would put a stop to this withholding of land and would increase the available supply of it, so that land would be cheaper than it is now.

Continuous Tenancies.

Where the man who wants the land is not in a position to purchase it and can only pay a rent for it, the continuous liability of the landlord to pay the tax would incline him towards a continuous tenancy at a continuous rent. In Scotland this could be arranged easily in view of the system of feuing and of the facilities afforded by the Small Landholders Acts. In England it

might take the form of a lease for a long term, as sub-ifeudation is still forbidden by the statute *Quia Emptores* of 1290. That statute might with advantage be repealed, or facilities might be allowed for the granting of perpetual tenancies at perpetual rents.

Freedom from Restrictions.

Where the tenancy is continuous, it is to the advantage of the tenant to use the land steadily and well; any improvement is to his own benefit, and any waste or neglect to his own hurt; he will not transfer his interest unless he gets a fair price for it; and his successor becomes subject to the same conditions. Thus there is little or no need of the restrictions which have to be imposed in terminable tenancies in order to prevent the tenant who has only a fleeting interest from working the land to exhaustion and then transferring the fag-end of his lease to some "man of straw."

Unexhausted Improvements.

The holder under a continuous tenancy can also realise the market value of his interest at any time, and has no occasion to seek compensation from the landlord for unexhausted improvements. Provisions for that compensation have been provided to combat some of the disadvantages of terminable tenancies; but this tinkering is not sufficient. The improvements made by the tenant for his own requirements are generally worth more to him than to anyone else; the classes of improvements for which the landlord can be expected to give compensation in the absence of previous agreement are necessarily few; and if the landlord declines, as he reasonably may, to have anything to do with other improvements the system breaks down. It would be much better to let the tenant have the land on a continuous tenure, and to enable him to realise the value of his improvements at any time by selling his interest in the open market.

Methods of Payment.

If a continuous tenancy includes land and improvements, both might be paid for by a continuous rent, or the improvements might be purchased by the tenant in the most convenient way—probably by instalments spread over a term of years—and the land might be paid for by a continuous rent. For the reasons given, that rent would be fair at the start, and provision might be made for having it readjusted from time to time, if that were desired by the parties.

Advantages of Continuous Tenancies.

A continuous tenancy at a continuous rent has many advantages. It can be brought into being at once; it can be arranged directly between the man who has the land and the man who wants it; and there is no need of recourse to public funds. What the small holder requires is not the ownership of the land but the "secure possession" of it. If he has sufficient money to purchase it, there is no objection to his doing so. But the vast majority of those who require small holdings are poor men, and the money they have will be better laid out in developing the land than in purchasing it. So long as they have "secure possession" of the land, their best plan is to pay the annual rent out of the annual yield.

Disadvantages of Land-purchase.

Any system of purchase which involves recourse to public funds or public credit has many defects. It

involves delay, necessitates circumlocution, and brings in the taxpayer to finance, and probably to endow, the transaction. If the price is too high, or if a bonus has to be paid to the landlord, there will either be a dead loss to the taxpayer, or an excessive charge on the small holder which will go far to defeat the purposes of the scheme.

Deceptiveness of Land-purchase.

Land-purchase is also deceptive for this reason, that the small holder remains for practical purposes a tenant until all the instalments are paid, and in order to make the system workable they are generally spread out over about fifty years. If the holder dies or becomes unable to work the land before all the instalments are paid, the arrangement is dislocated so far as he is concerned, and his uncompleted interest may have to be sold at a heavy loss.

Revival of Difficulties.

Even the completion of the purchase does not solve the problem, because the chances are that before many years the small holder or his successors will wish to dispose of the land, and then the difficulty of purchase will have to be faced again, except in the unlikely event of some would-be holder having the necessary capital and being willing to apply it to the purchase of the land. Ownership, indeed, is a clog on transfer, because there are many who can purchase the interest of a tenant, but comparatively few who can purchase the ownership.

What Small Holders Desire.

The movement for land-purchase does not come from intending small holders. Notwithstanding all the inducements offered for purchase in section 11 of the Small Holdings and Allotments Act, 1908—that four-fifths of the purchase money may remain outstanding and one-quarter of that may remain as a perpetual rent-charge, the remainder be paid by instalments spread over a period of fifty years—it has been stated officially (House of Commons, 16th March, 1916) that of the 43,245 applicants for small holdings between the passing of that Act and the end of 1913, the last year before the war, only 793, or less than 2 per cent., expressed a desire to purchase. Most of the men who want small holdings know perfectly well that the easiest terms for them are "secure possession" at a fair rent.

The Canker of Mortgaging.

Another disadvantage of land-purchase is that it prepares the way for mortgaging, which gradually reduces the small owner or peasant proprietor to the status of a tenant to the mortgagee, and brings back the old evil in a worse form. The process was thus described by Sir Antony (now Lord) MacDonnell, speaking in Dublin on 12th February, 1903:—

"I myself have no faith in a peasant proprietary unless protected against the evils incident to that system of land tenure. We have all read about, and some of us perhaps have seen, the working of the peasant proprietary system in Europe. I myself have had wide experience of the analogous systems in India, and my experience has always been the same. Everywhere the gradual declension of the peasantry from prosperity to ruin has been repeated. The process is this—First, there is a period of prosperity, with a rise in the standard of

comfort; then follows indebtedness, slight at first, but ever growing with the facilities which are readily afforded by the usurer. Next comes mortgages, and then comes sub-division and sale to meet the mortgagees' claims. Finally comes the crash; and the grandson of the tenant-proprietor becomes the sub-tenant on his former patrimony, while the usurer becomes the rack-renting landlord." ("Irish Times," 13th February, 1903.)

He also quoted an article from the London "Times" about a week before, on the similar effects of indebtedness on peasant proprietors in Italy, which stated that in the Neapolitan provinces alone, through foreclosure of mortgages, the Banks held more than £2,000,000 worth of landed property.

France.

In France the experience has been the same. Speaking of the peasant proprietors there, Mr. A. E. Pratt says:—

" 'Proprietors' they may be in name, but few of the peasants hold their land free of mortgage, and many of them are heavily indebted besides. They not only cultivate the soil under the most laborious of conditions, but they must meet, as best they can, the demands of the State, the usury of the money-lender, and also the fees of the lawyer who fattens alike on the land transfers and on the quarrels and lawsuits. 'Of the 8,000,000 proprietors in France,' wrote Mr. Lecouteux when Professor of Rural Economy at the Institute, '3,000,000 are on the pauper roll, exempt, that is, from personal taxation'; while the remainder, at the period of which this authority speaks, 600,000 proprietors paid contributions to the State amounting to only five centimes each. 'Getting rid of one order of landlords and their rents,' adds M. Lecouteux, 'they have subjected themselves to another, though invisible, order—the mortgagees—and to their heavier and more rigid rents.' " ("Transition in Agriculture," 1906, p. 234.)

Denmark.

In Denmark also the same defects have developed. Again to quote Mr. Pratt's work:—

"In regard to agricultural education and organisation (Denmark) has certainly secured remarkable results; but when one comes to look more closely at her much-boasted system of land tenure, one finds some of the darker lines of an otherwise pleasing picture. Nominally, the peasant proprietors who constitute so important a section of the Danish people are 'freeholders'; practically, they are saddled with a mortgage debt estimated at about £60,000,000, and representing 55 per cent. of the value of their farms, with buildings, stock, and improvements." (p. 240.)

This has been confirmed by Mr. (now Sir) Henry Rider Haggard. In "Rural Denmark and its Lessons," 1911, after commenting on the appearances of prosperity among the Danish farmers, he goes on to say:—

"On the other side of the account, however, must be set the fact that these freeholders—for I believe that over 90 per cent of the Danish farmers own the land they work—are considerably mortgaged. Probably it would not be too much to say that on an average they have borrowed up to half the value of their estates, which, if my memory serves me, is almost the limit to which the Credit Unions will advance." (p. 177.)

Ireland.

With reference to land-purchase in Ireland, it may be noted that section 54 of the Irish Land Act of 1903

prohibits the mortgaging or charging of a holding, except with the consent of the Land Commission, "for any sum or sums exceeding in the aggregate ten times the amount of the purchase annuity," and invalidates a mortgage or charge (except a charge under the Public Works Act) unless registered within a certain time under the Local Registration of Title (Ireland) Act, 1891. That proportion still leaves a considerable margin for mortgaging, and these provisions are the less effective because in the cases of *in re Roulston*, 1909, 1 Irish Reports, 306, and *National Bank v. Diffely*, 1910, 1 Irish Reports, 271, respectively, the Courts have held that they do not apply to a judgment mortgage or to an equitable mortgage by deposit of title deeds. The mere fact of such cases having arisen already shows that land-purchase in Ireland—even though it is of recent origin and in most cases the majority of the instalments have yet to be paid—is not free from the dangers which have cankered so many other systems.

The Economic Solution.

Mortgaging may of course take various forms, and it cannot be prohibited without interfering with freedom of transfer, which may prove an even greater evil. The proper course is to aim not at a system of ownership but at a system of tenure. If the holder has to pay a rent for the land continuously, he is practically bound to use the land as a means of production rather than a means of credit, and there is little or no foothold for mortgaging.

Land Taxation and Land Tenure.

The heavy prices which Irish landlords received for their land has helped to make other landlords stand out for similar terms. But much water has flowed under the bridges since the last Land Purchase Act; the valuations under the Finance (1909-10) Act, 1910, have not been without effect; and there is a growing recognition that the people have definite rights to the land in defence of which they are now fighting. Desirable conditions of tenure will not spring up of themselves; but the economic pressure of a tax on land-value, payable whether the land is used or not, would soon bring them about. The key to land tenure is to be found in land taxation. When the rights of the people to the land are properly secured, the conditions of land tenure will become simple and satisfactory.

Private property in land blocks the way of advancing civilisation. The two cannot long co-exist. Either private property in land must be abolished, or, as has happened again and again in the history of mankind, civilisation must again turn back in anarchy and bloodshed. Even now I believe the inevitable struggle has begun. It is not conservatism which would ignore such a tremendous fact. It is the blindness which would invite destruction. He that is truly conservative, let him look the facts in the face, let him speak frankly and dispassionately. This is the duty of the hour. For, when a great social question presses for settlement, it is only for a little while that the voice of reason can be heard. The masses of men hardly think at any time. It is difficult, even in sober moments, to get them to reason calmly. But when passion is roused, then they are like a herd of stampeded bulls. I do not fear that present social adjustments can continue. That is impossible. What I fear is that the dams may hold till the flood rises to fury.—HENRY GEORGE.

WHAT ABOUT "AFTER THE WAR" ?

By R. L. Outhwaite, M.P.

The belief that the declaration of peace will be for millions the signal to engage in the old struggle for existence under appallingly worsened conditions is causing deep concern and provoking manifold suggestions to meet the dread occasion. The bulk of the male workers have been drafted into the army or into the munition works, and will be turned adrift on the cessation of hostilities to find industry disrupted and a vast female force in possession of their former field of occupation. It is not too much to say that on the solution of the problem that will present itself will depend the future of Britain and the maintenance of her international position. The problem will be more complex with her than for any other belligerent from the fact that the British army has been recruited for the most part from secondary industries which will be disorganised, whilst Continental armies are to a greater extent drawn from the tillers of the soil, who can return to at least obtain sustenance. On Britain, too, a far greater burden of debt per head of population will have been imposed than on ally or foe. The existence of this vast debt must be kept in mind in the consideration of reconstruction to meet the aftermath of war.

To determine a method it is necessary in the first place to decide what is the essential to be aimed at. It is that the State shall assure the production of the maximum of wealth by removing every artificial restriction. No hand must be idle that could produce were opportunity to do so afforded. The disbanded armies must have fields of industry opened to them to conquer and the female regiments must not be flung upon the streets. To achieve this no palliatives will suffice, a great and fundamental economic reform must be wrought, and it is not difficult to discern that the battle-ground is being prepared for a mighty conflict as to the nature of that change between two opposing schools of thought.

To-day Protection is being urged and advanced as the solution of the impending crisis. Under the guise of war measures for the curtailment of consumption, a tariff is being established and a movement is on foot to give it permanence, and by differentiation create a customs bond between the Allies as against the Central Powers. The success of such an endeavour accomplished under the stress of war must be provocative of bitter strife at home and of international reactions little contemplated by those who are advocating this departure. Protection has as its avowed object the maintenance of prices at a high artificial level. Such a result achieved for the benefit of privileged home producers would engender domestic controversy. But by extending the area of exploitation the area of controversy will also be extended. A tariff with differentiation in favour of the French manufacturer would entail that the British purchaser of French goods would have to pay more than if those goods had to face free competition in British markets. It would lead to alliance between British and French capitalists in the formation of Anglo-French Trusts, and this union of pockets would arouse bitter antagonism and would endanger harmony. The probable result of an endeavour to cut Germany off from Western trade would be to turn her East towards Russia, the vast reservoir of raw material. However that may be, it can be shown that the imposition of Protection is calculated to exacerbate rather than ameliorate the after-war situation. In the first place it provides no solution of the problem of how to increase the aggregate of production. Imports being paid for by exports their exclusion does not increase production as a whole, however much it may divert it into different channels. But as the imposition

of duties must lead to the enhancement of prices, they must check consumption and consequently the demand for commodities. They are levied as a war measure for that very purpose. This restriction of consumption entails a lessened production and consequently a lessened demand for labour. Consequently Protection so far from providing a solution of the labour problem that we shall have to face is calculated to intensify its seriousness.

Indeed, certain considerations indicate that along such lines lies the possibility of revolution. To offset the rise in prices there has been since the outbreak of war an increase in nominal wages, in rate, or by way of war bonus. The workers have been told that the increase has been granted as a temporary concession for this economic reason. In any case there will be a bitter struggle on the part of the Trade Unions to maintain the present rate of wage after the war. But what will be the position if wage reduction is proposed whilst prices are maintained by Protection? Undoubtedly there will be provoked a struggle of immeasurable bitterness and which must result for the workers in lower wages together with high prices, for it is demand for labour in relation to supply and not the price of commodities that determines the wage rate above the subsistence level. It will be urged that as the employers will be making greater profits under Protection they will be able and willing to maintain the rate of wage. But if we consider the labour spheres in which the struggle will be precipitated we shall see that this argument is fallacious.

There has been formed between the Miners, the Railwaymen and the Transport workers what has been called the Triple Alliance. This combination after the war will wield a power in industrial matters which obviously needs no elucidation. In the spheres of the production of coal and of transportation in which these combined millions are engaged, Protection can only operate detrimentally to the employers. Coal is exported and not imported, transportation is largely dependent on international trade. Will this vast labour army accept lower wages concurrently with the maintenance of high prices by a tariff? Assuredly not, and from their resistance will be provoked an industrial conflagration which may well take on the horrors of civil war. So it is not to Protection that the wise man will look for the means of industrial restoration.

Undoubtedly the only hope lies in fundamental economic reform, and as restriction offers no solution for the problem of increase of wealth production, it is to greater freedom we must turn. Wealth is the product of labour applied to land, and there can only be the maximum production of wealth when the land is put to its fullest use. It is now common ground between all parties that this is not the case with the soil of Britain, and that its potentialities are largely unexploited. But the few thousand men in possession of the soil of Britain and those who seek to maintain the social order based on land monopoly, while agreeing that the after-war problem must raise the land question, desire to work upon old lines. But no palliatives will suffice to meet the crisis before us.

This is clear in the light of the Report of the Committee on the settlement of discharged soldiers on the land.

Its main feature is that land is to be bought at £40 an acre and that it is to cost up to £1,000 to settle a discharged soldier. This would be but to make the soldier a slave of the soil. The failure for a similar reason of the present Smallholdings Act both in England and Scotland gives further proof that a new method has to be applied.

It is to be found in placing upon the value of land a proportion of the vast cost its defence has entailed. It is just and expedient that the value placed upon land by individual effort should not be taxed and it is equally just and expedient that the value given to land by the demand of the community should be levied upon for communal need. To do so would set up economic forces calculated to break down the withholding of land from labour and to compel

full use to go with possession. Such a method has been adopted in Australia, New Zealand, and Canada, and is in process of adoption in South America, and the enlightened peasantry of Denmark have returned a Government pledged to initiate this system. Whatever opinions may be held as to the justice and efficacy of the method proposed, and it holds the field in face of the failure of all palliatives, it is vain to imagine that even the former status of the British people can be re-established except by the full utilisation of the soil. We have abrogated the most sacred right, that of a man to disposal of his own body, and have empowered the State to force the citizen to fight for his country upon Continental battlefields. This fact will assuredly cause the community to perceive that the land should be regarded as a communal possession, and recognition of this fundamental truth is destined to influence profoundly the public mind, not in Britain alone, but throughout Europe, in the endeavour to find a way out of war-created industrial chaos and the mire of bankruptcy.

FAITHFUL OVER A FEW THINGS

[We have much pleasure in reproducing from THE PUBLIC (Chicago) the following appreciation of one man's work in the land values movement. Mr. Maguire, though personally unknown to the Editor of LAND VALUES, has for very many years been a subscriber and a helpful correspondent of this Journal.—Ed. L.V.]

It is a difficult thing for a man to get an honest estimate of himself from his fellows. If he die, the cannot read his obituary; if he run for office the praise of his friends is so mingled with the abuse of his opponents that he must conclude both are biassed; and if he keep on the even tenor of his way he may hear no comment at all. Is there not a time in every man's life when, having performed the task committed to his charge, he is entitled to an estimate of his fellows, and to such an appreciation as he has earned? If he has betrayed his trust, or shirked, or blundered, little need be said; the consciousness of failure is sufficient weight for any soul. But if he has kept the faith; if he has forsworn the world, and clung to truth, it would seem that he had earned of his fellows a friendly smile, and an encouraging word. Besides, a hero is seldom a hero to his intimates. It is only when those at a distance proclaim him that the home folks take notice.

Early in the Singletax movement a man joined the Chicago Singletax Club for the purpose of aiding a cause dear to his heart. He could not make speeches, nor carry on a public debate, and he had little money to contribute. The first thing he found to do was to stand at the door, and hand out tracts to those who attended the meetings. Presently he added a few pamphlets—which he sold at cost. Then more pamphlets, and paper covered books were added, and finally a few bound books. All related to the Singletax, and all were sold at the lowest price that would sustain his venture—without pay for himself. And so this earnest man coined his heart's enthusiasm into service for his fellows by distributing literature. Week after week he has stood behind his little stock of books, tracts, and pamphlets. If the stranger could not buy a book, a pamphlet was suggested. That failing, a tract was pressed upon him. Years have passed, the man's hair has turned white, yet he still attends every meeting of the Club, eager to supply the stranger with food for his soul, and setting high the standard of service for the many earnest working men and women in the Club. It will undoubtedly please the many people who have noted this fidelity to know that the commercial house in which he has labored in a humble capacity has recognized his faithful service by giving him a life pension. The Chicago Singletax Club has had many zealous officers and members, who have given of their time and their money; but no one has exceeded the devotion of F. W. Maguire.

TWO POLITICAL ECONOMISTS ON THE LAND QUESTION

(From an address delivered at the Quarterly Meeting of the English League for the Taxation of Land Values at the Office, 376-7, Strand, London, on January 24th, 1916, by F. C. R. Douglas, M.A.)

Adam Smith's treatment of the theory of value, like much else in his great work, is incomplete and fragmentary, but we can discern in it the germs of the two great theories that have since competed for acceptance. On the one hand he talks of labour as the origin and measure of value; on the other he attributes value (in exchange) to value-in-use or, in the phraseology of a later date, to utility.

The classical economists, Ricardo, James and John Stuart Mill, Malthus and their followers, in so far as they have any theory of value accepted the labour theory. Ricardo, who is the most consistent, accepted the labour theory completely, but advanced a stage beyond Adam Smith in accurately stating the law of rent. Most of the others fell back upon the meaningless phrase "the law of supply and demand," and pretended that this explained everything. Supply and demand, as Henry George points out, are simply relative terms. The whole quantity of things in course of exchange constitutes the supply when looked at from one aspect, but it also constitutes the demand when looked at from another. If "supply and demand" themselves are not traced back to some more fundamental fact there is no explanation of origin of value, and it is at this point that the classical economists fail.

The other theory of which Adam Smith gives a hint, that value depends upon utility, found no one to develop it in this country until the time of Professor Jevons, and even in his hands it was but imperfectly worked out. The most perfect exposition of the theory is to be found in the writings of Boehm-Bawerk, Wieser, and other writers of what is called the Austrian school, but long before their day it was expounded by Hermann Heinrich Gossen (1810—1858), whose work only obtained notice long after his death and is even now little known. Jevons said that Gossen had "completely anticipated him as regards the general principles and method of the theory of economics."

Gossen's great work entitled ENTWICKELUNG DER GESETZE DES MENSCHLICHEN VERKEHRS UND DER DARAUSFLEISSENDEN REGELN DES MENSCHLICHES HANDELN ("Exposition of the Laws of Human Commerce and the consequent Rules of Human Action"), which was published at Brunswick in 1854, is particularly interesting to us on account of what he says as to the solution of the social problem. He is a thorough individualist, but he recognises that there must be great changes in order that the organisation of society be put on a just basis. These changes should consist in removing all hindrances to the free play of self-interest. There should be a removal of "impediments in man himself" through a good system of education, and removal of impediments to exchange by the establishment of a good currency—for this he thinks it sufficient that the State should guarantee the fineness of the metallic medium without minting it. Although the State must of necessity perform certain functions, he regards it as essential that its action be kept at a minimum, and accordingly he expressly declares that the removal of hindrances to the full and beneficent play of economic forces does not imply the abolition of private property; but he does not recognise that land is rightly a subject of private property, only the products of labour.

He fully appreciates the importance of the land question and argues that the community's right to the soil should be restored to it, so that everyone might be free to demand and obtain the use of as much of it as he required. Every industry could then choose the locality which seems

best suited for it. The right of using the land might then be disposed of by public auction and given to the bidder who offered the highest rent. There would thus be a kind of guarantee that the organisation of production at any one moment was being carried on in the most favourable fashion—relatively, that is to say, to the knowledge possessed by the community at that period. He also anticipated that the confiscation of rent would reduce the possibility of living without working, would simplify the legal transfer of property, and take the place of taxation to a considerable extent and would free the collection of it from every trace of vexation and injustice.

The importance he attached to these reforms may be inferred from his own statement that “*Nothing more is wanted to make earth a paradise*” (p. 276).

Another writer whose views resemble those of Gossen both in regard to the land question and to the theory of value is Léon Walras (1834—1910), Professor of Political Economy at Lausanne and one of the most famous continental economists of the nineteenth century. His system is developed in numerous books and essays published at various dates, the most important of which for our purpose are *THEORIE CRITIQUE DE L'IMPOT* (1861) and *ETUDES D'ECONOMIE SOCIALE* (1896). The latter volume is a collection of essays published at various dates, including an interesting paper on Gossen entitled “*Un économiste inconnu*,” though Walras had arrived at similar conclusions long before he had heard of Gossen's book.

Walras sought to reconcile the State and the individual. He felt that there was no necessary antagonism between them, but if both of them are to perform their respective tasks efficiently they must be supplied with all necessary resources. To the individual should accrue the wealth which results from labour and saving, to the State the revenue which results from general social progress—*i.e.*, the rent of land. Collective ownership of land and rent, private ownership of capital and labour, together with their incomes—such is the social organisation which Walras thought would solve the problem of distribution: equal conditions, coupled with unequal situations.

In his *THEORIE CRITIQUE DE L'IMPOT* Walras examines with great care and clearness the incidence and effects of all forms of taxation. He distinguishes with great accuracy between land, labour and capital and comes to the following main conclusions:—

“In a prosperous society the total value of the land and the total amount of ground rent increase, and so does the individual value of land (? the value of individual plots of land) and the revenue from it” (p. 19). And again (p. 20) he quotes from a work by his father, who shares with Gossen the honor of stating the marginal utility theory of value, to the following effect: “The conclusion I come to is this—that in a progressive society the condition of the landed proprietor becomes more and more easy, more and more advantageous. Without the least exertion, without making the least sacrifice, by the simple effect of the law I have stated, the landed proprietor has the rare advantage of seeing the exchange value of his capital increase as well as the revenue which his possession of it assures to him” (August Walras, *THEORIE DE LA RICHESSE SOCIALE*, p. 77). In elucidation of this it may be added that the Walras's, father and son, sometimes denote land by the term “natural capital” and capital ordinarily so-called by the term “artificial capital.”

Léon Walras goes on to say: “In a prospering society the total value of artificial capital and the total amount of the revenue from it increase; the individual value (value of individual portions) of artificial capital and the income from it diminish” (p. 21).

On the incidence of taxation on rent he says: “M. Destutt de Tracy has demonstrated to perfection that a tax on rent falls on the proprietor without his being able to shift the burden on to anyone else” (p. 31). Similarly

as to a tax on wages “it is impossible for the workers to throw the burden on to anyone else” (p. 38). On the other hand a tax on interest is shifted. “It will be seen that we are right in stating that a tax on interest is an indirect tax on consumption” (p. 46).

Examining further the effect of a tax on land values, he points out that, as it is not shifted, it depreciates the value of land and therefore subsequent purchasers buy at a less price. “A tax on land values is a direct tax on the landed proprietor. As soon as the land changes hands no one pays the tax. And besides, the landed proprietors, old and new, are daily indemnified for the past or future charges by the increase in their capital and income” (p. 57).

Walras, therefore, comes to this conclusion: “Nothing is easier than to establish a tax on economic rent. Land is a form of capital perfectly accessible and visible, that can be easily and exactly recognised; it lies out of doors; it can be measured, valued, and compared with other plots in regard to quality and situation as well as extent; what it will bring in [yearly] can be discovered, and therefore what it will sell for, or conversely. In short, nothing is more practicable than to impose a tax on rent” (p. 59).

Anticipating the objections of those who will argue against the proposal to make land value the sole basis of taxation, he says:—

“Will you turn to the interest on artificial capital? It is inaccessible and untouchable [because a tax on it is shifted]. Its integrity is essential to your existence. In hitting it you hurt yourself; rent and wages will be sacrificed to save it. In short, you cannot by any chance touch interest; and when you think you have, you have caught nothing but rent and wages.

“Will you turn to wages? You cannot get at them except by the difficult, vexatious, burdensome, demoralising, and ruinous means of an indirect tax on consumption. I protest against such a scandalously arbitrary tax. You previous question this (*vous passez outre*). Then I appeal in the name of justice; if you will not tax idleness, I will not have you tax labour; and I declare in the question of the proletariat and taxation, just as in the question of slavery and serfdom, that the personal faculties of man, his labour, and his wages are the natural and sacred attribute of the individual. I do not ask the right to work; but I do proclaim the right to the full amount of his earnings.

“Will you turn at last to rent? On a thorough investigation of the question nothing is easier than to tax it. You thus confiscate the land itself. You hurt one generation of landowners and free all succeeding generations who will profit and benefit completely by the certain and constant increase in value (plus-value) of the soil and its products. That is the only rigorous solution of the tax problem” (pp. 117-118).

Such is the radical conclusion to which Walras comes; but terrified at his own radicalism, he suggests in the only weak passage of his masterly survey, that reform must take place gradually and perhaps only in proportion as land values increase.

Walras's other writings give still further proof of his appreciation of the importance of the land question. In his *ETUDES D'ECONOMIE SOCIALE* he ridicules those economists who say that it is impossible to separate land value from the value due to improvements and who suggest that no satisfactory system of taxation can be devised. What nonsense, he says, when man can invent the railway and the telegraph to contend that he cannot find a satisfactory basis of taxation (p. 415).

One other point may be referred to. Gossen in his book suggests, like the land nationalists of to-day, that the State could buy the land and in course of time liquidate the debt out of the increase of land value. But plainly if there is to be an increase of value that the economists or the statesmen can foresee, the landlords themselves will not be blind to it and the purchase price will be so much

the higher, so high indeed that there will be no possibility of liquidating the debt. Walras after an exhaustive study concludes that "when the normal price is paid it is impossible out of the rent to establish a sinking fund to pay off the purchase price" (p. 327). Unfortunately he himself falls into a somewhat similar error in arguing that the State might by various arrangements influence the course of value and make it greater than it would have been under private control.

I have referred at length to the teachings of Gossen and Walras because they were among the earliest exponents of the doctrine that value depends on marginal utility, and because they deduced from that theory many of the conclusions that Henry George arrived at by a very different train of reasoning. It is not unimportant to remember this, as many of the present-day adherents of the marginal utility theory imagine that their doctrine is irreconcilable with the single tax theory when, in fact, the contrary is the case. We cannot, indeed, call Gossen and Walras single-taxers because they differ from Henry George as to the method of bringing about the reform we would establish through the taxation of land values, but at almost all other points the agreement is complete. They recognise that the present system of private property in land is the main cause of the maldistribution of wealth, and they contend that the only satisfactory solution is to make the rent of land the revenue of the State.

PETTY AND GRAND LARCENY

By Henry H. Hardinge

Time was, no doubt, in the history of the human race when the term larceny, or any equivalent of it, meant nothing whatever; but in the grand sweep of human events there came a time when the institution of property in some of its forms (and it has had many) became necessary for the preservation of human life.

The first forms of property were, of course, the products of human industry and related to wearing apparel, and things used in the primary industries, like fishing and hunting. It must have been many thousands of years before artifice and artificial habits of thinking so blunted the primary instincts of the race that they could see nothing incongruous in making *property* of the forest and stream as we do to-day, and placing them in the same category as they did the game killed in the hunt.

As this instinct was generated by necessity, and became fixed by custom, property in these primal necessities became a fixed fact in even primitive society, and was finally safeguarded by civil laws and the intricate and elaborate legal machinery which makes it a crime or serious misdemeanor for any member of society to take these things *in retail* from any other member without rendering an equivalent, either legal, moral, or physical.

To such a degree have we carried this custom that in pioneer communities in the West horse-stealing was considered the greatest of crimes. It was greater, in fact, than man-killing, because in such communities a horse was much more valuable, measured in terms of money, than a man, and hence horse-stealing was punished by death. There was a hideous lack of a sense of proportion in this, but modern society entertains many of the same foolish notions about property rights as our forebears. Our moral sense as to property rights has been developed only in a retail sense. We have outlawed petty larceny as far as it can be outlawed, and we have prohibited the poor from robbing the rich; *but we have not prevented the rich from robbing the poor.*

We punish the retail transgressions of property rights only; we do not treat, we do not grasp, we do not punish, the wholesale violations of property rights which are incorporated into the very texture of our social fabric.

The poor cannot steal in wholesale; if they steal at all it will be in a very raw, crude, angular, unscientific and inartistic fashion, wholly shocking to the refined tastes of educated people.

This kind of theft we have outgrown and tabooed. While it is still practised under a pressure that is compelled and sustained by the colossal and wholesale frauds everywhere perpetrated by institutionalised property wrongs, we do not give countenance to the "Bill Sykes" style of freebooter. We are much more refined in our methods.

We say that the poor must not rob the rich or the well-to-do, and we have devised the most elaborate machinery imaginable to prevent them from doing so; yet the fact remains that, if the rich were as rigorously and religiously forbidden to rob the poor as the poor are forbidden to rob the rich, there would be far less rich, there would be no social problem of consequence, and no involuntary poverty at all.

In our social view we care nothing for property rights in general; for property rights in particular we care everything.

The property rights of property owners are safeguarded as is nothing else in the world. But the property rights of the property producers are ruthlessly sacrificed, indeed. The major element in the property holdings of the property-owning classes is *the capitalised power to levy tribute upon the property produced by human toil*, in factory, mine, forest and farm, as fast as it is changed from a raw state into finished products.

Ground rent in private hands to-day represents this very power. "Ground rent" is not property in any legitimate sense. If it could be utterly destroyed there would be just as many good, useful and beautiful things in the world as ever. Ground rent is not useful to-day in any large way, it is not made by human hands, as is a spade; nor does it embellish life as a picture.

It has none of the qualities of real property, nor will it satisfy the simplest human desire, as does a loaf of bread; yet ground rent *in private hands* has a power under the law to absorb these things on a scale that is so stupendous that the brain recoils in very weariness at the attempt to grasp the total of its takings.

This is the "big thing" in so-called property rights of the present day; it is the ultimate source of economic power, it is around this "sacred" institution that the "State" has reared its highest fences and built its most formidable barricades.

This is the great modern "sacred cow" before which we all prostrate ourselves and upon whose altar we still make human sacrifice, as did the ancients. The conservation of property rights on this extended scale is, and has been the great national religion. On this subject there is no jesting. Here sincerity rises to the surface and shines resplendent, as in no other human institution.

This is the great American economic Joss. Jew and Gentile, Baptists and Presbyterians, Catholics, Protestants, Mormons, Dowieites, Holy Rollers and Protectionists, all doff the hat and bow the knee to this fair-visaged yet merciless and inflexible tyrant. The hem of her luxurious garment spreads out over the world, and her stygian shadow permanently engulfs myriads of worshippers in darkness.

It was ever thus with false gods. We have extended the domain of this tyrannic institution over a territory so large that the earth no longer has standing room for great multitudes of men; so they swarm into cities, to congest, rot, die, and go to the potter's field. The struggle and the strife have reached such dimensions to-day that millions just manage to live, other millions barely exist, and great multitudes simply cannot give themselves away.

In no other department of the known world, animate or inanimate, can be found a parallel to this. In no other

market save the labour market is there such unspeakable congestion. Chattel slaves could always find buyers, just as stock in the cattle and horse market. Man, alone of all created or manufactured things, can in uncounted instances find "no takers." Everything else has a price.

This is worse than a challenge, worse than an indictment; it is a crime; the worst of crimes; because it nurtures to successful accomplishment a myriad of individual transgressions which under more favourable auspices would never be committed.

These wholesale infractions of the moral law are the logical resultants of muddled thinking. *False thinking* has buttressed all of the idolatries, political, religious and economic, and there is but one remedy.

All of the swamps and bogs in which the human mind has floundered in the past and present are due to this one serious social fault, and at its base lies faulty education.

The products of labour were the first, as they will also be the last and only kind of property recognised by civilized men.

Capitalized ground rent will yet be used as the great social savings bank, the great old age insurance fund, the one and only source of public revenue, and the great universal horn of plenty in which we all can share alike in public benefactions.

The private appropriation of that which is socially created is the greatest and most disastrous of larcenies, because it robs great multitudes of men of their natural inheritance. It robs women of joys and gives back tears. It robs children of happiness and gives back desolation. It robs babes of life and gives back nothing. It is the great universal infraction of the injunction "Thou shalt not steal," either in the name of the law, or outside of its genial and comfortable ministrations to the physical well-being of the property-owning classes.

If human life is sacred, it should be protected, not only against the assaults of the evilly disposed, but it should be made immune from the invisible and evil influences which, in subtle and subterranean fashion and with resistless force, visit unspeakable miseries upon such a large portion of the human race. Invisible forces are the hardest to combat, because the hardest to detect; yet out of the "great invisible" there comes the electric energy that is playing such a marvellous part in the social economy of the modern world, and is doing it so generously, harmoniously, and silently, just because the laws of the "subtle current" are largely understood. So it is in the political and economic affairs of men; and the resistless economic forces which, operating in and beneath our political life, are re-writing platforms, shelving politicians, disintegrating parties, compelling some statesmen to "recant" and others to retire, and completely rearranging our whole political structure from top to foundation.

The inventor is the greatest of revolutionists; and the tremendous mechanical and economic agencies now at work in the world, directly resultant from the great inventions and discoveries of the last two centuries, are bound to have an equally powerful influence in recasting our methods, our public policies, our statecraft and our civil and economic life.

(Reprinted from The PUBLIC, Chicago.)

By the early institutions of Europe, property in land was a public function, created for certain public purposes, and held under condition of their fulfilment; and as such we predict, under modification suitable to modern society, it will come again to be considered.—J. S. MILL.

Let it be observed that when land is taxed, no man is taxed; for the land produces, according to the law of the Creator, more than the value of the labour expended on it, and on this account men are willing to pay a rent for land.—PATRICK EDWARD DOVE.

LANDOWNERS AND TITHES

By J. Dundas White, M.P.

(Reprinted from REYNOLDS'S NEWSPAPER, February 27th.)

The Agricultural Rates Act, 1896, the similar Act for Scotland of the same year, and the Tithe-Rent Charge (Rates) Act, 1899, relieve those who are liable for rates on agricultural land and on tithe-rent charge attached to a benefice from half these rates, and cause the deficit to be made good from the Exchequer. Enacted originally for a limited time, these Acts have been continued from year to year by the Expiring Laws Continuance Acts. They ought not to be continued any further. The two first now cost the taxpayers rather more than £1,500,000 a year, and the cost of the third for the present year is estimated at about £180,000. Thus the discontinuance of them would save the Exchequer about £1,680,000 a year.

RATES ON AGRICULTURAL LAND.

These Acts were not based on any economic principle, and did not constitute any reform of the rating system. They were passed on the plea of relieving agricultural depression; but that cannot be pleaded now. The demands of the war, the shortage of ships, and the great rise of freights, have greatly increased the prices of both imported and home-grown produce. The official average price of British wheat per Imperial quarter, which was 23s. 1d. in 1895, the year before the Agricultural Rates Acts, and 26s. 2d. in 1896 when these Acts were passed, was 31s. 8d. in 1913, 34s. 11d. in 1914, and 52s. 10d. last year. Even on that ground alone, the agricultural interests ought now to pay the whole of their rates, and the taxpayers who have so many other burdens ought to be relieved from this one, the more so as they are hard hit by the increase of prices from which the agricultural interest is reaping a rich harvest.

The payment of half the rates on any tithe-rent charge cannot benefit agriculture, as it does not diminish the amount of tithe-rent charge which has to be paid. The landlord puts capital, and the tenant puts labour, into the land, but the owner of tithe-rent charge does nothing to assist production. His charge is not an agricultural interest, but a burden on the agricultural interests. How great that burden is in some cases may be inferred from the need for inserting in the Tithe Act, 1891, the provision (Section 8) that where the tithe-rent charge on a property exceeds two-thirds of the annual value of the property as assessed for Schedule B of the income tax, the excess should be remitted.

RECENT INCREASE IN VALUE OF TITHE-RENT CHARGE.

As is well known, the annual amount of tithe-rent charge varies, being based for each year on the official average prices of British corn (wheat, barley, and oats) during the seven preceding years, and is quoted in relation to the standard of 1836, when the commutation of tithe into tithe-rent charge began. In 1899, the year when the Tithe-Rent Charge (Rates) Act was passed, the value of £100 tithe-rent charge was £68 2s. 4 $\frac{3}{4}$ d. For 1910 it was more than £70, and it has been rising ever since. For 1914 it was £75 16s. 4d., for 1915 it was £77 1s. 4 $\frac{1}{4}$ d., and for the present year it is £82 3s. 6 $\frac{3}{4}$ d., or more than twenty per cent. higher than it was when the Act was passed. The Act, as already said, applies only to tithe-rent charge attached to a benefice. But the owners of that, like the owners of other tithe-rent charge, without any effort or expenditure on their part, have had their charge increased owing to the increased prices of grain. The time has certainly come when they should pay the

whole of the rates upon it, and the taxpayers should be relieved from contributing any portion of them.

HOW THE ACT IS ENTRENCHED.

The Tithe-Rent Charge (Rates) Act was drafted with great ingenuity to continue during the continuance of the Agricultural Rates Act, so that the inclusion of the Agricultural Rates Act in the schedule to the Expiring Laws Continuance Act each year has the effect of continuing the Tithe-Rent Charge (Rates) Act, without that Act appearing there at all. If it had appeared there each year it would probably have been challenged long before now. But it has been carefully entrenched behind the other, and special steps will be required to bring it into the arena of Parliamentary action.

PARLIAMENTARY GLEANINGS

COAL PRICES

Mr. Barnes asked the President of the Board of Trade, on March 7th, if he is aware that some owners in Scotland are rendering useless the provisions of the Price of Coal (Limitation) Act, 1915, by making it a condition precedent to coal merchants obtaining supplies of coal that they must contract to pay the existing high prices of coal during the next six months (and in some cases the next ten months) with the alternative that in the event of their refusal to contract no supplies of coal will be given; if he has received letters from coal merchants in Glasgow stating that coal has been offered for sale on the conditions mentioned; and, if so, if he has considered these letters, and does he regard the offers so made as a contravention of the Price of Coal (Limitation) Act, 1915; and, if so, what steps does he propose to take in the matter?

Mr. Runciman: I have received representations on this subject. Where there were no contracts two years ago with which comparison can be made, the determination of the proper price for new contracts presents some difficulties. The whole question is bound up with that of securing supplies, and I think the best course will be for representatives of the merchants to discuss it with the District Coal and Coke Supplies Committee for Scotland in the first instance.

Mr. Barnes: Is the right hon. Gentleman aware that they decline to do that, and does he know that the Lanarkshire coalowners are stipulating that contracts should be made now instead of at the end of June; and is he aware that a letter has been sent to his Department asking for advice on this matter and no reply has yet been received?

Mr. Runciman: I am not aware that they have consulted the District Coal and Coke Supplies Committee for Scotland. My information is that they have not yet done so. If they had done so in the first instance we should most probably have arrived more rapidly at a solution of the difficulty.

Mr. Barnes: Is the right hon. Gentleman aware that this country is in the hands of the Lanarkshire coalowners?

LAND VALUATION DEPARTMENT

Mr. Raffan asked, on March 8th, whether arrangements are in progress for releasing a further number of the members of the Land Valuation Office for military service with the benefit of the Treasury Regulations; if so, whether their positions are to be filled by former members of the Land Valuation Office since retrenched; and at what date such arrangement is to take effect?

Mr. McKenna: The Commissioners of Inland Revenue are releasing for military service with the benefit of the Treasury Regulations further members of their permanent Valuation Staff and are re-engaging on a monthly engagement a certain number of former temporary valuers to act as substitutes.

Major Newman asked the Prime Minister, on March 8th, whether he has been able to study the latest balance sheet of the Land Valuation Department; and whether the activities of the Department were withheld from the purview of the Retrenchment Committee?

Mr. McKenna: I am fully aware of the position with regard to the Land Valuation Department. The Retrenchment Committee considered the administration of the Department and heard evidence on the subject from the Inland Revenue, who assured them that the staff had been reduced to the bare minimum necessary for the continuance of the work imposed by Statute. The question withheld from the purview of the Committee was that of the repeal of the Act itself; it was not considered desirable that a highly controversial political question of this nature should be raised at the present time.

Sir G. Younger: Will there be any objection to this question being raised?

Mr. McKenna: I suggest that it should not be raised at all during the War. As my hon. Friend knows, the Land Taxes raise very controversial questions, and it would be most undesirable to raise them now.

Mr. George Terrell: Is it not possible, without repealing the Statute, to stop all the activities of this Department, which are a waste of money?

Mr. McKenna: No. If the Statute remains it is absolutely necessary that the work consequent upon the Statute should be carried out.

Mr. George Terrell asked the Chancellor of the Exchequer on March 16th, how many persons have ceased to be employed on the effective valuation staff since 1st September last; how many are now employed on such staff; what is the annual amount of the total salaries; how many persons are employed in connection with the department who are not included under the heading of executive staff and what is the total amount of remuneration received by them; and what is the total amount payable for rent, rates, and lighting and heating offices or other premises now used by the valuation staff?

Mr. McKenna: During the present financial year the number of persons on the temporary staff of the Inland Revenue Valuation Office, whose employment under the Board of Inland Revenue has terminated, is 2,888, of whom 1,664 belong to the period commencing 1st September, 1915. The total number at the present moment borne on the books of the Department is 1,941, including 976 on naval or military service. The authorised permanent establishment is 580. The cost of salaries is £272,000, which includes £54,000 paid as civil pay to the men serving with the Forces. The information asked for in the concluding part of the question is not available.

Mr. G. Terrell: May I ask the right hon. Gentleman if he does not think that is a very excessive staff?

Mr. McKenna: No, Sir.

Mr. Watt: Are not these men very useful in getting in large sums from Death Duties?

Mr. McKenna: Yes, Sir.

SMALL HOLDINGS (APPLICATIONS TO COUNTY COUNCILS).

Mr. Dundas White asked the Parliamentary Secretary to the Board of Agriculture on March 16th what was the total number of applications for small holdings under the Small Holdings and Allotments Act, 1908, from the passing of that Act to the end of the year 1913, or, preferably, to the end of July, 1914; and how many and what percentage of them expressed any desire to purchase the holdings?

Mr. Acland: The total number of applications to county councils up to the end of 1913 was 43,245. Of these, 793, or 1·8 per cent., expressed a desire to purchase their holdings. I am unable to give the figures up to the end of July, 1914, but up to the end of December, 1914, there had been 46,660 applicants, of whom 854, or 1·8 per cent., desired to purchase.

HOUSE OF LORDS ATTACK ON THE LAND VALUATION

Satisfactory Government Reply

TUESDAY, MARCH 28

(The TIMES Report.)

LAND VALUATION

Lord ORANMORE AND BROWNE, in asking the Government whether the land valuation imposed by Part I. of the Finance (1909-1910) Act, 1910, could not be postponed till the conclusion of the war without prejudicing the resumption of the work when peace shall have been restored, suggested that to allow the valuation to remain in abeyance until the close of the war would not prejudice the taxation which was expected to arise from the taxation of land values, that it would enable a considerable economy to be effected in respect of the salaries of the staff of the Valuation Department, and that it would set free a large number of officials to undertake national work which was of urgent importance at the present time. As nearly as he could gather, the total cost of the valuation to the end of March, 1915, was £2,928,397, and the receipts for that period amounted to £689,068. In June last Mr. Lloyd George stated in the other House that the estimated expense in respect of land valuation for the current year was £676,000, while, owing to a decision given by the High Court and owing to certain concessions which had been made, it was clear that the revenue derived from the duties this year would be very small. Among the members of the staff were several men qualified to undertake work which must arise in connexion with the assessment of the compensation payable to farmers and landowners, in respect of land taken over for camps, training grounds, hospitals, and munition works. He was sure the Minister of Munitions would not object to a small portion of the Act, which he got passed with so much difficulty, being put into abeyance for a short time.

The EARL OF MEATH read the letter which appeared in the TIMES from a member of a Cathedral Chapter, giving the conversation which passed between him and a valuer from the department who came down to value the site of the Cathedral without the buildings, and said it was more like an incident from "Alice in Wonderland" than a quotation from a London daily newspaper, and, as an encounter between a dignitary of the Church and a Government official, was almost incredible. He was informed that the Valuation Department had actually discouraged the enlistment of members of its staff and had issued a circular stating that the Government would not promise to reinstate after the war those of them who joined the Army. He hoped to receive an assurance that there was no truth in that report.

Lord HYLTON, replying on behalf of the Government said that at the present moment the Valuation Department employed 580 permanent officers, the majority of whom were highly qualified valuers. He was informed that the staff was now engaged mainly in the task of overtaking the arrears of occasional cases which had accumulated—cases of duty payable upon the sale of property or upon the death of the owners of property. The number needed to deal with those arrears and with current work had been considered carefully, and everything possible had been done to reduce the expenditure of the Department. The temporary staff had been reduced to the minimum requisite for the work. During the present financial year the temporary engagements of 2,688 men had been terminated. The number of both permanent and temporary officials at the present time was 1,941, of whom 976 were naval and military servants. The cost of their salaries was £272,000, which included £54,000 paid as civil pay to men who were serving in the forces. The present permanent staff of 580 included 349 men of military age, of whom 115 were already serving in the fighting forces. As vacancies arose in the staff they were filled by temporary appointments. The Commissioners of Inland Revenue expected to be able to release 80 more officials. Of the temporary staff 247 members were men of military age. The question of their enlistment lay between the military authorities and themselves, and the Commissioners of Inland Revenue were not concerned. He had no information with relation to the circular mentioned by the noble earl, and he hoped that

it would not prove to be the case that such a circular was issued.

THE RETRENCHMENT COMMITTEE IMPEDED

Viscount MIDDLETON said that, although the Retrenchment Committee was appointed to examine the work and expenditure of the whole of the Departments of State, no report was made by the Committee concerning the Land Valuation Department, notwithstanding that the charge for that Department upon the Estimates exceeded £500,000. In his opinion the results of the work of the Retrenchment Committee were disappointing. It was impossible for them to carry out the whole of their task. In the first place, the Cabinet decided that the Committee must strictly confine their inquiries to the Civil Departments, and anything relating to the Army or the Navy or even to the Ministry of Munitions was withheld from their purview. In the last-mentioned Department he had reason to believe that appointments had been more numerous than in any other Department at any time, and he ventured to say that it required overhauling as much as any Department of the State, not only as regards its *personnel*, but as regards the results achieved. (Hear, hear.) The Retrenchment Committee, on meeting, were informed that all questions were withheld from their purview which had to do with the policy of the Government or policy upon which Parliament had decided. The Committee's inquiries were constantly blocked and headed off.

YIELD AND EXPENDITURE.

The first point to which he wished to draw attention was the revenue obtained from the taxes and the cost of its collection. In Committee on the Bill in 1909 Mr. Lloyd George said these taxes would pay the old-age pension of the small holder and prevent his holding from being trampled down by German cavalry. A programme of Dreadnoughts had just been laid down, and it was expected that much of the cost in future years would be provided out of the land taxes. The estimated yield in 1909-10 was £250,000; in 1910-11, £390,000; in 1911-12, £300,000; in 1912-13, £255,000. Thus in the first four years there was an estimated yield of £945,000. The actual yield in the first six years was £751,068. The cost of collection in 1910-11 was £372,558; in 1911-12, £401,290; in 1912-13, £533,618; in 1913-14, £677,599; in 1914-15, £720,015; in 1915-16 (estimated), £543,000. So that there was an expenditure of £3,268,080 to produce a revenue of £751,068. (Hear.) Last year there were 377 permanent valuers and 3,335 temporary valuers, and about two-thirds of the temporary valuers had been got rid of, but it was inconceivable that at a time when the Retrenchment Committee was urging the Government not to fill up a single post in the Civil Service out of the temporary valuers no less than 203 were made permanent with pensions and all the advantages of the permanent Civil Service. There was not a shadow of justification for that. Under their agreements these men had no claim to permanent appointments, and the step which had been taken was one of the most barefaced evasions of the wishes of Parliament that could probably be found in the history of the last 50 years. The estimated cost of the department for next year was £391,000, less £30,000 estate duty, leaving £361,000. He did not want these taxes to be excised, but he asked that they should be made a "fiscal instrument." So long as they were only yielding £100,000 at an expenditure of over £360,000 they could not be called a "fiscal instrument." He was not to be intimidated by the fact that some people out of doors might say that they were arguing about the cost of collection in order to evade the taxes. That was not so. They considered they had a right to insist that these imposts should be looked upon from the point of view of the revenue they produced and the minimum staff to produce that revenue. If this scandal was not brought to an end they should have to return to the subject until they brought the Department into proper order.

Lord SHEFFIELD remarked that the legislation relating to the valuation of land and other land questions would be overhauled after the war, and it would be well that the initiative in the matter should be left to the other House.

Lord PARMOOR said that if there were in the Valuation Department 710 men capable of military service, it was nothing less than a scandal. Nearly every morning he received valuations of the property of ecclesiastical and charitable institutions of which he was a trustee and all

of these valuations made in the present abnormal circumstances were absolutely useless for any permanent purpose.

"CLASS INTERESTS."

The EARL OF CROMER said the Government were impressing upon individuals to practise economy; but what were they doing themselves? They appointed a Retrenchment Committee, and the first order that Committee received was that they were not to deal with war expenditure. That Order was a great mistake. It was based upon the idea that because we were at war we ought to be extravagant, whereas economy and efficiency in war went hand in hand. (Hear, hear.) The Retrenchment Committee were also told that to enter upon an investigation of the Land Valuation Department involved the discussion of class interests. That simply meant that in order to stop the mouths of a small and violent section of the House of Commons, a sop must be given to them. The House of Commons had abrogated its most important function, the checking of expenditure, and had constantly pressed the Chancellor of the Exchequer to spend more than he had desired.

THE GOVERNMENT REPLY.

The MARQUESS OF CREWE said that practically all the speeches had made it clear that the question of land valuation was liable to awaken the sleeping party dogs. For his own part he was particularly anxious to avoid raising any party issue, and therefore would refrain from discussing the principle of land valuation and the purpose for which that valuation had been instituted. He would therefore merely say in regard to the general question, that he did not think the comparison which Lord Middleton had made between the amount expended upon the institution and the value of the revenue produced was really fair. The setting up of the institution would naturally cost more than its future maintenance. But he thought it important to point out that an attack levelled at the institution would arouse a profound feeling in the minds of many people. Not only land-taxers and land nationalists, but the Liberal Party and the Labour Party would regard an attack upon the principle of the valuation of land for the purpose of special taxation as a definite breach of the party truce, and would refuse to believe that it was inspired by a desire for economy or the necessity of obtaining more men for the Army. The fact remained that a proportion of the people of this country who favoured land valuation felt that the debate was not inspired by a desire for economy or for recruits, but was inspired by a desire to drive a wedge into the principle of valuing land for the purpose of taxation. The figures applicable to the Department were these—the permanent staff of the office included 349 men, of whom 118 were serving with the fighting forces, which left 231. From these the Department hoped to spare 80 more, which would leave 151. The Government wished the Department to be treated on precisely similar terms as other Departments, and that it should be cut down to a scale compatible with its services, but the Government were not prepared to abolish the Department altogether during the war. So far as agricultural land was concerned he was not aware there would be any pressing difficulty in valuing it fairly, all valuations of course being subject to fluctuation in the future. There was no rule forbidding the transfer of officials from one State Department to another.

The MARQUESS OF SALISBURY said the leader of the House would not be surprised to learn that his reply was not considered satisfactory. The country did not care two straws about party policy. All the party innuendoes of the noble marquess belonged to years gone by and were utterly out of place in the present state of things. Did the noble marquess mean by his warning to noble lords that to agitate this question might excite retaliation in regard to the money enjoyed by the Church, that he thought they were so mean that in order to save institutions which they cared about they would abstain from telling the truth, the whole truth, and nothing but the truth, about those institutions in order to make some party point? The noble marquess would realise to-morrow that his speech was quite unworthy of him and of the position which he occupies. The matter could not be allowed to rest where it was. If the Government were to suspend the operations of the Department the act would be accepted by the country as proof of their earnestness in urging the great importance of economy, public and private.

COMPULSORY LAND CULTIVATION IN FRANCE

M. Meline, the French Minister of Agriculture, has brought before the Chamber of Deputies a "measure for putting into cultivation abandoned land and for the organisation of agriculture during the war." The Bill is prefaced by a long memorandum pointing out that the area sown with autumn cereals in 1915 was less by 739,000 hectares (1,830,000 acres) than that of 1914, a falling off of 10 per cent., and that the situation which is already serious will become still more critical after the war is over, "because the countries released from war will throw themselves *en masse* upon all the markets of the world and will create a famine of food provisions." The text of the Bill, for which we are indebted to JUSTICE (March 9th) is as follows:—

The President of the French Republic. Decree:

The project of law, of which the tenour follows, will be presented to the Chamber of Deputies by the Minister of Agriculture and by the Home Secretary (Ministre de l'Intérieur), who are charged to expound the motives and to support the debate thereon.

ARTICLE 1.

Within fifteen days from the promulgation of this law, the mayor of each commune, assisted by two municipal councillors, shall invite, by registered letter, the owner or the usual tenant of lands not cultivated to put these lands in cultivation. If within fifteen days from this notice the "exploitant" does not give sufficient reasons to justify the abandonment of his land, the mayor will have the right to requisition those lands, and he can hand them over, to be put in cultivation, to the communal committee of agriculture constituted by decree.

For execution of the works, the mayor will have the right of requisition as regards agricultural implements, animal traction, and disposable premises in the commune.

Prefectorial by-laws, submitted to the approval of the Minister of Agriculture, will determine the forms and the limits within which municipalities can operate these requisitions, as well as the mode of regulating these indemnities.

ARTICLE 2.

The expenses incurred, the advances to be made for the execution of these works, will be guaranteed by the commune. In case of insufficient resources the latter will be authorised, by virtue of the first article of the law of November 5th, 1894, to borrow the necessary sum from the nearest "caisse de Credit agricole."

ARTICLE 3.

The municipality, or the agricultural committee, will superintend, at the risks and perils of the owner or of the "exploitant," the execution of the works up to the complete carrying of the harvest, which will be sold by its direction. The product of this sale will be divided among the right owners after deduction of

1. Taxes if occasion requires.

2. Proportionately to the expenses effected on each piece of land, out of the sums advanced by the commune, plus interest. The excess will be remitted in full to the "exploitants," if the latter have not themselves sown and cultivated for a cause resulting from the state of war and independent of their will.

The third of this excess will be retained from the "exploitants" who cannot justify the plea of "force majeure," and paid over to the municipal funds.

ARTICLE 4.

The statement of expenses, of receipts, and of the repartition shall be submitted to the Municipal Council and ratified by it as in matters of the communal budget.

ARTICLE 5.

The present law, if it is not prorogued, is only applicable as long as mobilisation lasts.

NEWS OF THE MOVEMENT

MANCHESTER LEAGUE

5, Cross Street, Manchester.

During the past month the weekly meetings of the Reading Circle have been held at 94, Sandy Lane, Chorlton-cum-Hardy, and on March 5th Mr. J. F. Kilgarry addressed the members of the Newton Heath Branch of the Boiler-makers' Society.

An unsolicited testimonial has been received from a landowner who read the recent discussion between the Editor and the Secretary in the correspondence columns of the *YORKSHIRE POST*. This gentleman, who signs himself "A Yorkshireman" and gives Yorkshire as his address, wrote to the Secretary to express his admiration of the masterly and trenchant arguments of the Editor which, he thinks, must have given a shock to the advocates of bare-faced robbery—Land Values taxation. He goes on to declare that the Secretary is unworthy of the name of an Englishman, and advises him and his dishonest clique to go and join their friends, the German Barbarians. In these depressing times such encouragement and diversion as this letter afforded is as welcome as it was unexpected.

With the generous assistance of the English League the Secretary has sent copies of Mr. Verinder's pamphlet, *LAND, LABOUR AND TAXATION AFTER THE WAR*, to 250 Secretaries of Trade Unions and other democratic organisations in this part of the country. The pamphlet was accompanied by a circular in which an offer was made to send speakers to explain the policy of Land Values taxation to the members of such societies. It is hoped in this way to follow up the educational work already done amongst Trade Unionists.

A suggestion that all the available space in the Manchester parks should be used for the growing of vegetables during the war, was considered at a meeting of the Parks Committee on March 17th. The General Superintendent of Parks aid it would cost more to convert the parks into kitchen gardens than would be repaid by the value of many years' crops, and the Committee agreed with the Superintendent. Besides the 5,300 acres of so-called "agricultural land" in Manchester, there are a great many other acres entirely unused on which vegetables might be produced. The readiness with which allotments are taken up, wherever available, shows that the solution of the local problem of food production is to be found in the destruction of the mischievous power of the land withholders. If all the land in Manchester were taxed on its capital value, the supply of home-grown food in this town would be greatly increased, without depriving the people of any of their limited opportunities for enjoyment in the parks.

Friends of Lieutenant Percy McDougall will be glad to learn that he is keeping well. In a letter to the Secretary, our colleague—who is now attending to the health of 1,600 men in France—expresses the wish that this war on land and sea may be soon replaced by a war for land rights.

ARTHUR H. WELLER, Secretary.

YORKSHIRE AND NORTHERN LEAGUE

71, North Street, Keighley.

The following meetings have been held recently:—

- Feb. 27.—F. Skirrow, North Ward I.L.P.
- Mar. 3.—F. Skirrow, Keighley Branch N.U.R.
- " 5.—Wm. Thomson, J.P., Keighley I.L.P.
- " 8.—John Archer, Fitzwilliam Street Social Union, Huddersfield.
- " 12.—F. Skirrow, Shipley Branch N.U.R.
- " 19.—F. Skirrow, Skipton Branch N.U.R.

I enclose copy of resolution carried unanimously by the Skipton meeting. The same resolution was carried at a meeting of the Keighley I.L.P. at a subsequent meeting to the one addressed by the Secretary last December. Copies of the Resolutions were sent to the Prime Minister, Chancellor of the Exchequer, and the M.P. for the division.

Will Keighley and District members of the League please note that Mr. J. W. Booth will open a discussion at the room, 71, North Street, Keighley, on Sunday evening, April 9th, at 7.30. Subject: "Social Reform after the War."

Non-members are cordially invited to attend and take part in the discussion.

F. SKIRROW, Secretary.

HIGHLAND LEAGUE

The Highland Land Values League has not been so active as in normal times during the first 16 months of the war, but now owing to the abnormal economic crisis the members who are not on active service have had several meetings during the past two months and discussed the situation. The younger members attending those meetings were very anxious to get all possible information and education and are now busily engaged in studying *PROGRESS AND POVERTY*, so that when the time arrives for a more strenuous propaganda they will be in a position to ask some questions of the politicians.

At our last meeting Mr. Jas. MacDonald gave an excellent exposition of the Single Tax, for which he was well qualified, having given the subject many years of earnest study. Messrs. Joseph McLead, Linton, Ellis, Mackenzie, Little and others discussed the question in its various aspects, and it was resolved to read *PROGRESS AND POVERTY* chapter by chapter at a series of meetings to be held during the next few months.

It was also suggested that the League extend its educational propaganda in the summer months to the outlying villages and towns around Inverness.

J. MACKENZIE, Treasurer.

THE ENGLISH LEAGUE

376 and 377, Strand, London, W.C.

The April Quarterly Meeting will be held in the Committee Room at the League's Office, on Monday, April 17th (Monday before Easter), at 7 o'clock. Mr. W. R. Lester, M.A., will read a paper on "The War, and How it should be Paid for."

The General Secretary records, with deep regret, the death, on March 2nd, after a long illness, of Mrs. Graham Peace, wife of the some-time organising secretary of the League. The General Secretary attended the funeral at Abney Park Cemetery, both as a personal friend, and as the official representative of the Executive, who at their meeting on March 13th passed a vote of condolence with their colleague and his children.

The following meetings were addressed during March, in addition to those announced at the beginning of the month:—

- Mar. 12.—Sunday afternoon Conference, United Methodist Free Church, Catford. H. J. Bullivant, "Gerrard Winstanley the Digger."
- " 16.—Wood Green Liberal Club: C. G. Armstrong Cowan, "After-the-War Problems."
- " 17.—Women's Local Government Association, Wood Green: F. Verinder, "Land, Labour, and Taxation after the War."
- " 23.—Land and Home League, Kingston-on-Thames: F. Verinder.
- " 26.—Whitefield's Men's Meeting, Tottenham Court Road: F. Verinder, "My Neighbour's Landmark."

The members of the Harlesden Branch are holding their next series of weekly meetings on a plan which groups of

members elsewhere might find worthy of imitation. They are taking one of Henry George's published addresses as the subject for discussion at each meeting, one of the members undertaking to lead the discussion. There will be no meeting on Good Friday. The arrangements for the other Fridays (at Mr. J. McCulloch's, 89, Wrottesley Road, at 8.15) are as follow :—

April 7.—“Thou shalt not steal” (Mr. J. McCulloch).
 „ 14.—“Moses” (Mr. R. E. Downing).
 „ 28.—“Thy Kingdom Come” (Mr. A. Rutherford).

The above addresses of Henry George (and others) are to be had in pamphlet form from the League office.

FREDK. VERINDER, Gen Sec.

WELSH LEAGUE

98—100, Queen Street, Cardiff.

The Annual Meeting was held at the Railway Hotel, G.W.R. Approach, Cardiff, on Saturday, March 18th, and in the absence of Mr. Edgar R. Jones, M.P., the President, Dr. R. D. Chalke, M.A., the Chairman of the Executive Committee, presided. The meeting was well attended and of a representative character.

The Hon. Secretary submitted a report of the year's work and this was adopted. The Hon. Treasurer's report was also submitted and adopted subject to audit.

The election of officers and Executive Committee resulted as follows :—President, Mr. Edgar R. Jones, M.P.; Chairman, Dr. R. D. Chalke, M.A.; Hon. Treasurer, Councillor J. T. Jones, Porth; Hon. Secretary, Eustace A. Davies, Cardiff; Executive Committee, W. A. Howels, W. A. Meyrick, W. Lloyd, S. Fisher, J.P., D. Pugh-Jones, G. Fred Evans (Cardiff), Councillor Huw T. Richards (Pontypridd), E. Hopkin (Aberkenfig), G. Pile, G. Pawley, David Davies (Penarth), G. H. Davies (Whitchurch), Councillor E. Walton (Barry), W. J. Thomas (Barry Dock), Rev. J. Sydney Jones (Aberavon), — Prosser (Seven Sisters).

A resolution urging the Government to complete and bring up to date the 1909 Finance Act Valuations as a basis for imposing a National Tax on Land Values at the earliest possible moment was proposed by Councillor J. T. Jones, Porth, seconded by Mr. S. Fisher, J.P., Cardiff, and carried unanimously.

Ald. P. Wilson Raffan, M.P., and Mr. Andrew MacLaren of London delivered addresses, which proved highly interesting and stimulating, and were enthusiastically received, and for which they were very heartily thanked.

The meeting proved a successful one and the local papers gave a good report of the proceedings.

We are glad to be able to record that six new members joined, and that there is a possibility that some of the representatives of Labour organisations, present at the meeting, will be able to arrange for meetings.

We cannot conclude these notes without reference to Ald. Raffan's announcement that he was shortly leaving South Wales to reside permanently in London. It is almost superfluous to add that those present at the meeting, in view of the able and devoted services he has rendered to the League since its inception, received the news with the greatest regret; and so will all his other friends in Wales.

The following meetings have been addressed since the last report was issued :—

March 3rd.—Newport No. 3 Branch, N.U.R. Mr. W. A. Meyrick.
 „ 7th.—Mackintosh Institute Debating Society. Mr. G. Fred Evans.

Considerable interest was aroused by the addresses at both the meetings. Those attending Mr. Meyrick's meeting expressed an intention of arranging a mass meeting of the Newport Branches of the N.U.R. and of inviting him to

address it. It is hoped that they will be able to carry out their intention.

Annual Report

Before passing on to a review of the year's work there are some matters of a more or less personal nature that might well be touched upon.

At the Executive Meeting held on April 17th it was reported that Mr. J. T. Jones of Porth, a member of the Executive, had been, in a hard-fought contest, elected a member of the Rhondda Urban District Council, and a vote of congratulation to him was passed.

In July the English League for the Taxation of Land Values approached us with a view to our agreeing to release Mr. Raffan from the Presidency, they being desirous to make him President of their League. The resignation was accepted at an Executive Committee meeting, held on August 21st, when the following resolution was unanimously passed :—

Ald. Raffan having tendered his resignation of the Presidency of the Welsh League on the occasion of his election to the Presidency of the English League, he deeming it advisable in the interests of the movement generally to do so: Be it resolved, that we reluctantly accept his resignation; that we convey to him our heartiest congratulations on the well-merited honour conferred on him by the Members of the English League, and place on record our grateful appreciation of the able and devoted services rendered by him as President of the Welsh League since its inception and to the movement generally; that we offer him our very best thanks for such services and rejoice to know that he will continue to co-operate with us in the local work and trust that later on he will again be able to resume his former office.

Mr. Edgar R. Jones, M.P., who has taken considerable interest in the activities of the Land Values Group in Parliament, was elected in Mr. Raffan's place, and Mr. Raffan was elected on the Executive Committee.

Our efforts have been directed mainly towards bringing as much pressure as possible to bear upon the Government with a view to their taking steps to prepare the way for the taxation of land values as one of the means for meeting the enormous additional taxation necessitated by the war.

The United Committee, in conjunction with the Scottish League, called a Conference in Glasgow for September 3rd to consider what action (if any) to take.

Following upon this our Executive met on the 2nd October. The Hon. Secretary, who had represented the League at the Glasgow Conference, submitted a short report, and a resolution was passed stating, amongst other things, that :—

This Executive views with grave apprehension the financial and industrial prospects of the country after the war and calls on the Government to make preparation at once for completing and bringing up to date the Finance Act Valuations, as a basis for imposing a National Tax on Land Values at the earliest possible moment.

The resolution was sent to the Prime Minister, the Chancellor of the Exchequer, the Minister of Munitions, and to all the Welsh Liberal and Labour Members of Parliament, and also to a number of Welsh newspapers, some of which it is known gave it considerable prominence, and the Editor of the BRECON AND RADNOR EXPRESS wrote stating that his paper supported the movement. It was also forwarded to a large number of Trade Unions and other Labour organisations, with an intimation that an opportunity of stating our case would be welcomed.

At the end of November a circular letter on “War Taxation: How it affects the Workers,” suitable for Labour organisations, was published and circulated by the United Committee. This contained an appeal for opportunities for addresses on our subject being afforded and set out a resolution which it was suggested should be passed and forwarded to the Prime Minister, the Chancellor of the Exchequer, and the local Members of Parliament. A supply of these were sent us and we posted them to various Labour organisations.

A number of meetings were subsequently arranged, and at most of these the resolution was passed unanimously and the Secretaries undertook to get copies forwarded to the proper quarters. The meetings were arranged under the auspices of the following bodies, and the speakers

included Mr. W. A. Meyrick (Cardiff), Mr. Andrew MacLaren (of the United Committee), and the Hon. Secretary: Blaenavon, Pentre, Risca, and Barry Trades and Labour Council; Rogerstone, Cardiff No. 7, and Newport No. 3 Branches of the National Union of Railwaymen.

The Barry meeting was addressed by Mr. A. MacLaren, and some forty copies of the resolution have been forwarded to some of the delegates, they having requested a supply of same, with a view to getting the resolution passed by other Labour bodies in their district.

The Newport No. 3 Branch of the National Union of Railwaymen was addressed by Mr. W. A. Meyrick, and this meeting, too, promises good results. The members became keenly interested and expressed an intention of arranging a Mass Sunday night meeting for all the Newport Branches of the National Union of Railwaymen.

Literature has been distributed from time to time as occasion offered. The May number of LAND VALUES, which contained a short account of the life and work of the late Mr. Ed. McHugh, was distributed as far as possible amongst his former associates in this district. The June number, the coming-of-age number, of LAND VALUES was sent out to parties likely to become interested in our work and a special appeal for support was made. As a result of this distribution we made seven new members.

Several of last year's members allowed their membership to lapse, but the welcome support of a few new members has helped us to practically maintain our former position.

It is with deep regret we record the deaths of our former Treasurer, Mr. E. W. Evans of Newport, Mr. William Roberts of Cardiff, a member of the League, and Lieuts. Hinds, Seager and John, the three last losing their lives on active service. Lieut. Hinds was a son of Mr. John Hinds, M.P., and Lieut. John a son of Mr. E. T. John, M.P., both of whom are Vice-Presidents of the League. Lieut. Seager was a son of one of our members, Mr. W. H. Seager of Cardiff.

We regret, too, to have to record that Hon. Roland E. Philipps, a Vice-President of the League, and sons of Mr. W. G. Howell of Cardiff, a member of the League, Mr. T. W. David, J.P., of Llandaff, a member of the League, and Mr. T. Richards, M.P., a Vice-President of the League, have either been wounded or invalidated home from the front.

To those who have suffered bereavement we extend our deepest sympathy, and we trust that those wounded or invalidated may return to their relatives and friends fully restored to health.

The late Mr. Ed. McHugh died at his home in Birkenhead on April 13th, and by his death the movement was deprived of one of its most able, sincere and uncompromising leaders. Mr. McHugh settled for some years in Cardiff, and whilst here endeared himself to a wide circle of friends. Mr. W. A. Meyrick, one of his closest associates, was unable to attend the funeral, and failing him the Hon. Secretary attended as the League's representative. At an Executive meeting held on April 17th tributes were paid to the sterling work and character of the deceased, and a vote of condolence with Mrs. McHugh and her son and daughter was passed.

We place on record our best thanks to Mr. W. A. Meyrick and to the officers of the Cardiff Liberal Association for their kindness in granting us the free use of their respective offices as meeting places; to the United Committee for their continue dinterest in and support of our work; and to our ex-President, Ald. Raffan, who, notwithstanding the many calls upon him in most highly important spheres, has continued closely in touch with the local work, and has ever been ready to touch his invaluable services at our disposal.

Members will no doubt readily appreciate the difficulty of maintaining an organisation such as ours in times like these. The difficulties will, we fear, be greater in the year before us, and we earnestly appeal for their continued support to help us successfully through.

EUSTACE A. DAVIES, Hon. Secretary.

SCOTTISH LEAGUE

67, West Nile Street, Glasgow.

The Executive met on Friday, 17th March, and, *inter alia*, arranged the Annual Meeting of the League for Friday, April 14th, at 8 p.m. The meeting will be held in the

office, 67, West Nile Street, Glasgow. The Executive unanimously agreed to recommend Mr. James Dundas White, LL.D., M.P., as President, Mr. David Cassels as Hon. Treasurer, and Mr. Thomas Cameron as Chairman of Executive Committee for the ensuing year.

There has been a falling off in membership subscriptions during the year. This can be accounted for by the increased cost of living and by the fact that nothing much can be done by way of general propaganda while the war lasts. While this is all very true something has been done and is being done as the pages of LAND VALUES each month indicates. But the cost of the war must be faced and we must be prepared at any time to advance our claim for a tax on land values. On these grounds alone we can and must appeal to all friends of the League to help now, if even in a modest way, to maintain the membership.

The following interesting note came from the Scotstoun and Clydebank District:—

ALLOTMENTS NEAR GLASGOW.

The taxes I have to pay on the ground on account of your operations is about £2 10s. Write if you are agreeable to pay this. I want £5 clear.

(Signed) —

The above is a copy of a letter received by a man who is running the allotments, from the landowner.

The situation is this: A piece of ground, ripe for building, within the vicinity of several munition works, where rents are up owing to shortage of houses, has, by the gracious permission of the owner for the sum of £5 plus expenses including rates and taxes, been made to produce food by the labour and capital of some munition workers in their spare time. It is a piece of a plot of ground, the other piece having tenements on it. Previously it was unused but since producing food besides giving a pleasant and healthy spare time occupation for several families, the assessor has claimed about £2 10s. more rates and taxes than before.

If the men do not feel disposed to pay any more rent and the ground becomes idle again, I suppose the assessor will not demand the extra rates and taxes.

But the value of the ground is such that were it taxed on its real value as building ground it would bring in between 20 to 40 times the taxes it does now.

Experts and politicians urge us to grow food and then our system of taxation fines us for doing so.

Our law says tax it according to use.

Single taxers motto is tax according to value whether used or not.

ARTHUR MACE,
Scotstoun West.

Mr. John L. Carnel writes to say that "The Study Circle and Political Economy Class" have gone on as usual, and on Wednesday last (15th March) we concluded our winter's work. I must confess we had a fine time at these meetings and interesting discussions have arisen over various arguments of Henry George. I shall feel recompensed for my work if I have aroused an interest in the taxation of land values. I have brought this question to the notice of many who otherwise would have paid no heed to his doctrines. I am quite satisfied to know that I have done a little, and hope, if I am spared, to do more." Judged from the standpoint of actual achievement Mr. Carnel has a good deal to be proud of, and the movement owes him many thanks for his disinterested work to further the good cause.

The replies from trade unions and trade councils come in slowly, in all some twenty have replied stating that they have sent on the resolutions to the Prime Minister, the Chancellor of the Exchequer, and the local Member. It is quite certain that many have been sent without a notification being sent to the League's offices.

A useful meeting was addressed by the Secretary on the 15th March, in the Glasgow Slaters Hall, 10, North Port'and, Glasgow. The resolutions, after some discussion, were passed unanimously.

JAMES BUSBY, Secretary.

COLONIAL AND FOREIGN

LOCAL TAXATION IN NEW SOUTH WALES

Some days ago the new Lord Mayor of Sydney submitted a Minute to the City Council in favour of a uniform method of rating on the unimproved capital value of land. It was referred to the Finance Committee. There is every prospect of the adoption of land value rating, as a majority of the new Council elected in December have pledged themselves to support the principle.

It may be of some interest to your readers generally to know what has been done in New South Wales in recent years. Formerly rates were imposed on the assessed annual value of property. The man with a good house, or shop or factory paid a high rate, while the owner of vacant land was let off very lightly. But a great change came over the scene when the Carruthers Local Government Act of 1906 was passed. That Act made rating on land values compulsory to the extent of not less than one penny in the pound and optional for the balance of the rate revenue required subject, except in a few cases, to a poll of the ratepayers. Rating on the annual value was abolished except in the City of Sydney to which the Act did not apply. Councils could impose all their rates on land values or partly on land values and partly on improved values, that is the capital value of land and improvements taken together. The statutory penny on land values was not a revolutionary proposal, as the State previously had imposed a tax of one penny in the pound on land values with an exemption of £240. It agreed when the Councils imposed a penny—without any exemption—to suspend the collection of the State tax. Councils, however, had to take over certain public works expenditure hitherto incurred by the State. The result was an almost universal adoption of rating on land values only. Most Councils said it was the very thing they wanted, and proceeded to impose all rates on unimproved land values. In a few cases where a majority of the aldermen were very conservative it was proposed to have a dual rate, part on land values and part on improved values. Reformers then took steps to demand a poll. The result in every case was a victory for rating on land values. There is mixed rating still in some country centres but that is solely due to the lack of one or two enterprising spirits to insist upon reform. The number of such Councils, however, is diminishing.

Another way to show the popularity of rating on land values is to observe the loan polls. When a Council desires to borrow money it has to consult the ratepayers. They have, at a poll, to decide two questions, whether they are in favour of the loan, and if so, whether the rate for interest and sinking fund shall be imposed on land values or improved values. A proposed loan may be rejected but the poll is always in favour of the land value basis for the loan rate. One of these polls was taken in Goulburn the other day. It was four to one in favour of land value rating.

Here is a summary of the position in 1913, concluding with a table showing the revenue assessed as due. The figures are from the latest Statistical Register. Of the 134 Shire Councils 38 imposed a general rate of 2d. in the pound. No fewer than 105 Councils imposed one flat rate for all services, while 29 imposed various local rates, the highest being a water rate of 9d. in the pound, at Portland. Of 187 Municipal Councils 70 imposed one flat rate for all services varying from one penny to 6½d. Other Councils imposed one or more additional special or local rate, although in most cases they obtain the bulk of their revenue from the general rate on unimproved values. The larger portion

of the City of Sydney rate revenue is obtained by means of a rate on the assessed annual value of property, instead of improved capital value.

Local Governing Bodies.	Unimproved Capital Value.	Rates imposed on Land Values.	Rates imposed on improved values.
			£
134 Shires	99,452,191	572,695	197
40 Sydney suburban municipalities	28,240,971	752,497	1,509
147 Country do.	20,807,126	485,773	41,254
City of Sydney	23,837,157	148,982	241,696
	172,337,445	1,959,947	283,656

When the City of Sydney rates on land values only this year a similar statement would be even more striking. One point should be carefully borne in mind, polls as to the incidence of a rate in N.S.W. are confined to landowners. Sir Joseph Carruthers held that the man who paid the money had the right to call the tune. The adoption of land value rating is not due to those who have no stake in the country. It is a sound business proposition. A majority of landowners own land for use, not speculation. So that when it comes to a contest between land user and land speculator the former wins every time. Land value rating means lower rates for him. So the speculator has to pay up and try to look pleasant no matter what his feelings may be.

A. G. HUIE.

SOUTH AUSTRALIA

In my last letter I referred to the fact that we had a Labour Government in power in our State Parliament, and that their platform was the best they had ever submitted. Four out of the six members of the Ministry have at one time professed the single tax faith, and when the Party platform included such measures as reduced rail freights and fares, increasing the income tax exemption from £200 to £300, an all-round tax on land values, and proportional representation; naturally all true democrats accorded the Party support and expected to get some measure of true reform. They have been grievously disappointed. When the Budget was introduced it contained proposals for a tax on motor cars, increased stamp duties, reducing the income tax exemption from £200 to £156 (this was a violation of the Party platform), increased probate duties, and the one redeeming feature of an additional halfpenny tax upon land values. These proposals passed the Assembly and were sent on to the Legislative Council, a House elected on a property qualification. These worthies promptly threw out the land values tax, and amended some of the other proposals. The Government tamely submitted to this rejection, instead of appealing to the people and fighting the Council in a constitutional manner. Then, to raise the necessary revenue, they again violated their printed platform by increasing railway fares and freights instead of reducing them as they promised on the hustings. And this is the manner the people have been deceived by party politicians. Our only hope of getting a better standard of representatives is by getting Proportional Representation placed upon the Statute Book. This measure the Labour Party promised to carry last session, but did not even introduce the measure, the reason given being that there was no time. It seems there is plenty of time for small matters, but none for the consideration of the fundamental and essential questions.

Just at present the manufacturers are much concerned about "trade after the war." They are advocating all sorts of schemes to get a larger measure of protection than they now enjoy. And the newspapers are rendering them

valuable assistance. It is a cunning attempt on the part of the manufacturers to get larger profits whilst the patriotic fever is at its highest point. We are doing all we can to help people to get a clear vision in the matter. We hold open-air meetings twice every week, distribute a lot of free leaflets, send letters to the daily and country press, and point out clearly that Protection is simply a respectable name for legalised robbery.

We also emphasise the fact that the defence of Australia should be paid for by those who own the land values of Australia. When we refer to this we always get a sympathetic response. Unfortunately our Federal politicians do not realise the importance of taxing land values, so they are floating loans to pay for the war, and thus providing a good investment at $4\frac{1}{2}\%$, free of income tax, for the "Capitalists" they claim to hate.

The cost of living in Australia is going up by leaps and bounds. The goods which could be obtained for 17s. 3d. in 1901, cost 22s. 5d. in 1914, and 26s. 6d. in 1915. The 1915 figures are of course abnormal, owing to the war and the drought. But the 1914 are pre-war figures. You will note they are considerably different to those of 1901. One of the chief reasons for this is the tariff. In 1901 we collected £8,869,000 from food taxes, and in 1914 we collected no less than £15,062,000. Out of 125 lines of food stuffs in the first three schedules of the Trade and Customs returns, no less than 117 are carrying heavy taxes, and only 8 are on the free list. Is it any wonder we have a high cost of living problem to solve? And yet our good Labour politicians want to give the workers more Protection.

E. J. CRAIGIE.

UNITED STATES

The Oregon Constitutional Amendment, proposed by the Central Labour Council of Portland, Oregon, has been solidly endorsed by the Oregon Federation of Labour. This remarkably radical measure, of which a full account was published in LAND VALUES last September, proposes to take ninety per cent. of ground rent for State revenues. The measure is to be submitted to popular vote in November, and signatures for the initiative petition are rapidly being secured. Mr. Roy E. Waterbury says in the PUBLIC (Chicago, February 11th) :—

The Socialists favour the movement because they realise it will, in effect, socialise the land. Leaders of labour are giving it their hearty support because it will take surplus labour off the market and thus free labour. The middle-class business man is lending his support because it will reduce store rents. The tenant farmer, the mortgage-ridden farmer and the farm hand are backing it because they can have free soil to till with the aid of the State and without the consent of any other man (to paraphrase Mr. Bryan). And, of course, the land reformer is heart and soul for it, because it is the goal of his ambition.

A proposed amendment to the constitution of Mississippi was introduced in the legislature by Representative Robert S. Phifer, of Jackson, on February 1st. It is similar to the measure proposed for Oregon by the Central Labour Council of Portland. It declares public ownership of land rent to be just, and private appropriation to be the chief cause of poverty. It provides for an annual 90 per cent. tax on "each dollar of rent on land in Mississippi not now exempt by law from taxation." The legislature may increase this tax by 10 per cent. if it sees fit but may levy no other tax. Two-thirds of the revenue is to be apportioned for local purposes among counties and municipalities. Counties and municipalities will also be allowed to tax improvements and personal property when the voters so desire. Provision is also made for a home makers loan fund to help builders of homes.

As we reported some time ago the City of Houston, Texas, has been compelled to abandon the policy of exempting money and notes from taxation and assessing land values at a much higher rate than improvements, the courts having decided that this was contrary to the State constitution. In his annual report Tax Commissioner Pastoriza points out that the return to the general property assessment method has materially affected the city's prosperity. The attempt to assess cash and notes "created great dissatisfaction." In regard to increased taxation of improvements he says that many taxpayers refused to assess their buildings at as high a per cent. as land, so that to secure equality he was forced to reduce the building assessment of those who had made a full return to 50 cents on the dollar, the result being, in spite of the doubling of the rate on buildings, a new "Houston plan of taxation," as illegal as the former one. Under this new plan land is assessed as before, buildings are assessed at 50 per cent. instead of 25 per cent., and notes and cash remain exempt. The effect of the increase in the building tax he shows as follows :—

Building permits in 1914 were \$5,526,200, while in 1915 they dropped to \$2,425,553. General depression of business, no doubt, had something to do with this reduction, but in my opinion the drop in building activity was due almost wholly to the abolition of the Houston plan of taxation, which brought about the doubling of the tax upon buildings and a tax upon notes. Many men who had intended to build refrained from doing so because they realised that they would be taxed double. If they bought a home on credit, they would have to pay the tax on the home and be liable for the tax upon the notes which they had given for the purchase price of the home. There is no doubt in my mind but that this was the greatest contributing cause to the reduction in the building permits during 1915.

CANADA

Soldiers and the Right to Work

(From the CITIZEN, Ottawa, February 9th.)

The Soldiers' Aid Commission has a branch in Ottawa, under the chairmanship of Mr. E. R. Cameron. The Commission has an office in the City Hall with a secretary in charge, and an application has been made to the Board of Control for \$1,000 to cover the expenses of the office. The opening of an office to look for work for returned soldiers is simply a beginning. It does not create the opportunities for work: if there are more men than jobs there will be unemployment, and all the hard-working secretaries in Canada will not alter it.

There were more men than jobs in Canada when the war broke out, and when the 500,000 Canadian soldiers return the condition will call for drastic treatment. Something will have to be done to restore Canada to a basis of sound prosperity, where there will be more jobs than men. This is a matter for the Dominion, the provinces, and the municipalities to face. The soldiers have established an undeniable right to work, by serving in defence of this land.

The land they have saved from the enemy, the millions of acres of fertile prairie land, the coal land and timber land, and all the natural heritage of the people of this nation, Canada, must be made accessible to the men and citizens who are willing to work on it and cultivate and develop it as the source of wealth production.

At present the land, millions of acres of the best land, is not accessible to the willing worker. It is withheld from productive use by land-holding interests. American syndicates hold much of it: even German interests are the absentee landlords of some of the best Canadian lands. The way to transform Canada into a prosperous country, where there will be more jobs than men and not one solitary

soldier need be out of work, is to tax land values high enough to make it unprofitable to withhold land from use. Then the land would be put to productive use, and increased production would mean an increased demand for labour.

On Monday night the Ottawa City Council put itself on record as being ready to do its part in getting the land opened by a tax on land values. By unanimous vote the council decided to apply to the provincial Government for special legislation to permit Ottawa to transfer the burden of taxation from productive industry to the community-created value of land. The provincial Government's own Commission on Unemployment, under the chairmanship of Sir John Willison, has already this year recommended taxation of land values, saying :—

It appears both just and desirable that values resulting from the growth of communities should be available for community responsibilities. Wisely followed, such a policy involves no injustice to owners of land held for legitimate purposes; and the benefits which would follow the ownership and greater use of land by wage-earners justify the adoption of measures necessary to secure these objects as quickly as possible.

It is therefore the least the patriotic citizens of Ottawa can do to back up the city council. It is asking the provincial Government for the right to do what the provincial Government's Commission has recommended should be done: namely to tax land values, as the way to restore prosperity and to have jobs bidding for men instead of men bidding for jobs. When land values only are taxed, the Soldiers' Aid Commission will have no trouble in finding work for the men back from the battlefield.

VACANT LANDS TAX IN ALBERTA

The Alberta Government levies a tax on 1 per cent. of the assessed value of vacant lands in the Province which are held under private ownership, but are not improved or occupied in any way. In some cases, this tax may have been confused with a war tax, although it has no relation whatever to the war, and there is absolutely no war taxation on land in Canada.

The purpose of the Government in taxing vacant lands was not only to increase its revenue but also to encourage the cultivation and occupation of these lands. It was found that there were 8,000,000 acres of lands in the Province valued at \$70,000,000 (£14,000,000) which were being held by private owners who were doing nothing to improve them, and it was felt by the Government that it was much fairer to charge some of the cost of administration and of building roads, bridges, and other improvements to this unoccupied land, thus relieving the farmers who are resident in the country of a proportion of that expense.

In the year 1915 this wild lands tax yielded \$700,000 (£140,000) revenue. It should be repeated that it is not a war tax, and is not levied against farmers who are living on their lands and improving them.—(THE STANDARD, February 24th.)

AUSTRALIA

Rating in the City of Sydney

According to the BRITISH AUSTRALIAN (March 9th) the new Lord Mayor of Sydney, Alderman Meagher, M.L.A., states that he hopes to give effect in a few months' time to the first plank of the Labour municipal platform and inaugurate a system of rating on the unimproved land value only. He remarks: "Sydney will then be the first capital city in Australia to apply this form of taxation. That is one of the landmarks which I intend to leave."

The Sydney DAILY TELEGRAPH suggests that "the Government would be willing if such a basis was adopted

to make a contribution to the Council in lieu of the amount of rates which the Council would otherwise lose under the wording of the Act allowing the Council to rate on unimproved value. Without such a contribution the Council would lose about £20,000 which it now receives from the rate upon the annual value of Government lands."

SOUTH AMERICA

The weekly journal published by the Argentine League continues to publish most encouraging news of the movement in the Argentine and in other parts of South America.

Senor Herculano Nina Parga, Governor of the State of Maranhao, Brazil, states in a letter to the South American Committee, published in EL IMPUESTO UNICO, that in the budget for the coming year a beginning will be made in establishing the Single Tax, and refers in glowing terms to the effect of PROGRESS AND POVERTY.

Some interesting extracts from the Socialist platforms are given in EL IMPUESTO UNICO of February 17th. The platform of the Socialist party of Buenos Aires demands a progressive tax on the rent of land, a re-valuation of property, exemption of buildings from taxation, withdrawal of the powers given to local authorities of taxing articles of consumption, and the abolition of various taxes which restrict industry. The platform of the Socialist party for the Republic is hardly so satisfactory, for, although it calls for the abolition of the tariff on all articles of necessity such as food, clothing, &c., it only proposes a tax on the increment in land values.

The new Governor of the Province of Salta has made an important speech in which he proposes a thorough revision of the tax laws of that province. He advocates a new valuation showing the value of the land apart from improvements. The present system of taxation, he says, is wrong because it burdens the man who is industrious and progressive while it exempts the man who waits on an increase of value which is not due in any way to his own efforts and who is a hindrance to general progress. The press of the capital comments very favourably on this statement; LA PRENSA in particular devoted a long leading article to it.

An important addition to the literature of the movement is a book by Dr. Emilio Frugoni entitled THE SOCIAL ASPECT OF TAXATION ("Los Impuestos desde el punto de vista social"). From the extracts from it which have appeared in EL IMPUESTO UNICO this is a well-written and scholarly work which should exercise a considerable influence on economic thought in South America.

LAND VALUES IN CITIES AND FARMS

The assessed value of all land in New York City, exclusive of improvements, and exclusive of franchise values and real estate of corporations, was \$4,643,414,746. In 1910 the assessed value was \$4,001,129,651. In the same year the United States census returned the value of land on all farms in New York State as \$707,747,828, or less than 18 per cent. of the land values of New York City; and less than half the value of all property on the farms. Moreover the assessment figures of the city excluded the value of all improvements. The census figures for the farms included in land values all improvement values aside from buildings. So farm land values must be much less than the census showing. But even on the showing made it is clear that under the single tax the combined taxes for State purposes of all farmers in the State would be less than 18 per cent. of the levy on New York City.

If figures were available of land values of Buffalo, Rochester, Syracuse, Albany, and other New York cities and towns, as well as all franchise values, the farmers' share

of State taxes under the single tax could undoubtedly be shown to be trifling. But selfish interest will continue nevertheless to tell the farmers that the single tax would burden them.

It is furthermore interesting to note that the census shows the value of all farms in all the Pacific and mountain states combined to be less than the 1910 assessed value of New York City. The combined value of land on all the farms in California, Oregon, Washington, Idaho, Nevada, Arizona, New Mexico, Utah, Montana, Wyoming, and Colorado was but \$3,420,683,644, including all improvements aside from building. That is \$600,000,000 less than the assessed value of individually owned land in New York City.—(The American Economic League's BULLETIN.)

LANDLORDS THE FINAL RECIPIENTS OF WAR PROFITS

In a recent market letter Messrs. Warren W. Erwin, of the New York Stock Exchange, discussed the trend of values in stocks of companies engaged in making munitions of war. The general conclusion is that although prices of commodities are likely to go still higher the average business firm will not get increased dividends on that account, for the added return will be swallowed up in increased prices for raw materials. Only those manufacturers who are lucky enough to control the sources of raw material will benefit. To quote:—

It is becoming more and more evident, as the war progresses and increases the demand for and prices of certain products, that those who produce these products will not reap the greatest benefit unless they also control the sources of materials and supplies that enter into the products. As usual, when the prices of commodities are rising rapidly for a considerable period of time, the first benefits go to the manufacturers or producers of those commodities while the later and greater benefits go to those who own the opportunities to production—the mines, forests, lands, etc.

The manufacturers of shells, cartridges, etc., find their profits curtailed by the high prices of steel, copper, zinc, tungsten, quicksilver, etc.

The manufacturers of automobiles have to pay tribute to the steel, copper, rubber and leather producers.

The steel producers must own iron ore and coal lands or be squeezed out.

The powder manufacturers must pay heavy tribute to the producers of ethyl, alcohol, picric acid, etc.

In general, the munitions manufacturers are held up by the producers of steel, copper, zinc, lead, tungsten, alcohol, sulphuric acid, picric acid, quicksilver, etc. Since the war began the price of quicksilver has risen from \$40 to \$300 a flask.

The woollen manufacturer must make terms with the owners of wool and sheep.

The sugar refiners must see the greater part of the enhanced prices of sugar go to the owners of sugar lands.

The boot and shoe and the harness manufacturers are held up by the tanners who, in turn, are waylaid by the producers of acids, dyes, tallow, etc. For instance, the price of logwood has risen, since the war began, from 1 cent to 6½ cents per pound.

The users of motor cars now pay twice as much for gasoline as they did a year ago, because the gasoline producer now has to pay two or three prices for crude oil.

And so it goes all along the line. Those who have the final word and who bag the biggest profits are those who own the ore, coal and oil lands; the lumber and rubber forests; the copper, zinc, lead and quicksilver mines; the sugar lands; and last, but not least, the grain, cotton and grazing lands. Nor should we overlook the owners of building and water-power sites, who are always on hand when prosperity is with us.

We quote this at length because it illustrates so well the fact that the landlord, because of his control of the sources of wealth, is the person who finally profits by all industrial activity. A little of the advantage may be intercepted on the way, but the landowner is the only one who is certain to benefit in the long run, and that without doing a hand's turn.

The basis of monopoly, of the capitalist system as it is loosely called, is clearly shown in this statement to lie in the ownership of natural resources, that is, in the ownership of land. The "capitalists" themselves understand this perfectly well. The whole trend of modern industry is amalgamation of those companies that control the natural resources of the world. When that amalgamation has proceeded far enough, then the owners are in the position to dominate industry and to force not only the workers, but the capitalists pure and simple, the men whose businesses are only manufacturing and not also landowning, to capitulate and accept the terms of those who hold the sources of raw materials. We have seen this going on in the United States at an ever-increasing rate. It has been going on in our own country, too, though not so obviously.

THE INCIDENCE OF THE INCOME TAX

(To the Editor.)

SIR,—Your number of January, 1916, is most interesting, specially the account of the Sydney victory. But you say:

The fact that the increase in the Income Tax has been one of the reasons for increasing house rents is notorious.

Does the income tax make any more demand for land? If not, how does it increase land rents? Does it decrease home building? If not, how does it increase home rents?

If the landowners raised rents when the income tax was imposed, why could they not have raised them before?

Our opinion here is that the income tax can not be shifted, which is about all that can be said in its favour. It is immoral, unequal and promotes perjury—but it stays where it is put—like a leech.

Yours, &c.,

BOLTON HALL.

New York.

February 23rd, 1916.

[Anything which prevents land coming freely into use, whether it be the mere caprice of monopolists or penalising taxation upon industry, necessarily enables other landowners, whose land is in use, to exact so much more rent. Secondly, a tax on commodities increases their price and anyone who hires such commodities has to pay so much more in interest for the use. The British income tax on houses (which was the subject under discussion) operates in both directions—it hinders the production of more houses and to that extent gives a monopoly value to such sites as are built upon; and it places a new burden on the users of the bricks and mortar. Our correspondent may not be aware of the special incidence of what is called Schedule A of our Income Tax. It is a tax on the annual value of all *occupied* houses and although levied on the owner of the house has precisely the same economic effect as that iniquity called "The Inhabited House Duty" and as all local rates on industry and improvements in the United Kingdom and elsewhere.—Editor, LAND VALUES.]

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NOTES OF THE MONTH

Conference on the Taxation of Land Values.

We particularly direct the attention of our readers to the announcement in this issue of the Conference on the Taxation of Land Values to be held in London, on Saturday afternoon, May 27th. The object of the Conference is to make a protest against such methods of financing the war as will throw an undue burden on the poorer classes of the community, and especially to point out that there is a large source of revenue in land values which has not yet been tapped. Apart from the question of finance there is the danger of widespread industrial depression and unemployment after the war, and one of the resolutions that will be put before the conference points out that in order to avert this it is imperative that a tax should be imposed on land values in order to force unused land into use and to throw open to labour opportunities of employment that are at present unavailable owing to the encouragement our present system of taxation gives to landowners to hold land out of use. Trade Unions, Co-operative Societies and other organisations, which it is felt are particularly interested in these questions, have been invited to send delegates. Our readers are earnestly requested to render all the assistance they can in making the Conference a successful one.

The New Taxation.

Another Budget has been introduced and accepted adding further burdens by way of income tax and indirect taxation. All the proposals made by Mr. McKenna have been carried with the exception of the tax on railway travel which has been dropped. The tax on earned incomes is now graduated from 2s. 3d. to 5s. in the £ the maximum being imposed on incomes exceeding £2,500; on unearned incomes the scale is from 3s. to 5s., rising to the maximum on incomes exceeding £2,000. The excess profits tax is raised to 60 per cent. The number of taxed commodities has been increased to include matches and mineral waters; the duty on

sugar has been raised to 14s. per cwt., on cocoa, coffee and chicory to 6d. per lb., and a toll has been imposed on attendance at entertainments.

There is still no recognition of the principle that the value of land is a measure of the benefits derived from government, or that the State possesses a "communal value" which ought to be taken for public purposes. The Budget is as devoid of any sound principle of taxation as any of its predecessors and it would be idle to make sense out of the underlying proposition that the Treasury is justified in taking money from people because they burn matches or drink lemonade. It is only a method of spreading the net wider and wider so as to secure the greatest possible contribution from people with small incomes and prevent tax-dodging on their part. It frankly affirms that the State is permitted to get revenue how or where it likes and abandons every idea of democratic finance.

The one satisfactory feature of the Budget is that it contains no concessions to Protectionist demands. It establishes no new vested interests. But it is a mistake to hail it as a "free trade measure" on that account. The taxes on commodities cannot be defended because they are so imposed as to give no power to manufacturers and others to enrich themselves under the shelter of a tariff.

"The Next Step in Land Valuation and Taxation."

The United Committee for the Taxation of Land Values has issued under the above title an important statement pointing out the urgency of a tax on land values in order to distribute more equitably the costs of the war. This statement, which is printed in full in this issue of LAND VALUES, shows that there is in the land value of the country a great and untapped source of revenue. It is a mistake to consider that the Budget of 1909 has shown that the taxation of land values will not yield revenue, for that Budget did not provide for the taxation of land values. The United Committee's

memorandum points out, however, that the valuations made under the provisions of the Finance (1909-10) Act, 1910, have provided practically all the information necessary for the establishment of a simple and effective system of taxation of land values. If the requisite legislation were passed the valuations could be revised where necessary and a tax on land values, collected in a very short time. A number of suggestions are made as to the amendment of the valuations and the methods to be adopted in the collection of such a tax, only one of which we need refer to here. It is proposed that the tax on land values should be co-ordinated with the Income Tax on landed property, so that Property Tax in respect of land value in the Schedule A assessment could be remitted in so far as it did not exceed the amount of the land values tax. This proposal is made in order—

(1) That the holder of land fully utilised should bear no added burden; and

(2) That the holder of land, unused or underused, should not escape a share of a burden that others are bearing, because—

(A) The nation in these days needs the financial aid, and

(B) The nation in these days needs still more the fullest productive use of the land.

This is a simple and reasonable proposal that should appeal to everyone who has no particular interest in protecting the pockets of land monopolists.

This statement has been printed as a pamphlet and free copies for distribution may be had on application to the United Committee, 11, Tothill Street, London, S.W.

The Transvaal: Rating of Land Values adopted

We have much pleasure in recording that an Ordinance establishing the rating of land values has been passed by the Provincial Government of the Transvaal Province and assented to by the Governor General of South Africa. This Ordinance provides that the local rates must be raised by a rate on land values where the revenue required is less than or equal to what a penny in the pound on capital land value will yield. Where revenue in excess of that amount is required it is to be raised partly by a rate on land values and partly by a rate on the value of improvements; the rate in the pound on improvements is to be not greater than the additional rate on land values and not less than half the rate on land values. The latter provision, however, is only to continue in force for two years, and after that period the excess may be raised by a rate on land values alone if the municipal council so determines, though in any case the excess over the yield of one penny in the pound on land values may not be raised by a rate of taxation on improvements greater than the additional rate imposed on land values (see p. 358).

This measure is one of the most radical steps in the rating of land values that has anywhere been put into operation, and the greatest credit is due to Mr. F. A. W. Lucas and his colleagues in the Transvaal Labour Party for the consistent agitation which they have kept up for this reform. It is not unlikely that they may be able to secure a provincial tax on land values as well.

Land Speculation in Johannesburg.

The new Rating Ordinance in the Transvaal has given grave concern to Mr. Julius Jeppe, the Chairman of the Malvern Estates Ltd. Speaking at the eleventh ordinary general meeting of the shareholders held in Johannesburg in March last, he said they had unfortunately been informed that the Governor-General in Council had

consented to Mr. Lucas's Rating Ordinance which was brought in for further reducing the value of land in accordance with Mr. Lucas's idea of the confiscation of land, of taking away all personal ownership in land. The effect would be when the Bill once came into full force that not alone would their taxes be very considerably increased but they would find it more difficult than ever to sell any stands.

Mr. Jeppe went on to give the whole case away in the important admission: "I think people who are *au fait* with the existing conditions of Johannesburg will remember that out of 74,000 stands, roughly speaking, within the municipal area, there are still about 54,000 stands unbuilt upon." These vacant stands have their counterpart in high rents, congestion in the centre of the city, wasteful public expenditure, unjust taxation, and low wages. Johannesburg like all large towns has its growth and expansion throttled by the iron ring of land monopoly surrounding it, and it can only be liberated by taxation that will destroy the speculative value of land. The Malvern Estates Ltd. may find unsaleable land in their possession, but only in the sense that they will have to offer the land at very much lower prices than they have been demanding; and if even then they do not sell, they will have nothing to complain of because, with the break-up of land monopoly, the tax will be assessed at that much reduced value. By that time, happily, the process of holding-up users and occupiers of land to ransom will have ceased.

American Federation of Labour.

A most important step has been taken by the American Federation of Labour in giving its official endorsement to the Oregon Constitutional Amendment proposed by the Central Labour Council of Portland, Oregon. The main feature of the Oregon measure, entitled the People's Land and Loan Amendment, is the proposal to take ninety per cent. of ground rent for public revenue. (A full account of the measure will be found in LAND VALUES for September, 1915, p. 134). Resolutions endorsing the proposition came before the convention of the Federation of Labour held in San Francisco in December, and were referred to the Executive Council with power to act. The Executive Council has now endorsed the measure.

In taking this action the American Federation of Labour has put itself on record as favouring a measure which will strike at the fundamental causes of low wages and unemployment. If the Oregon measure is carried in November, land speculation in that State will be ended and the valuable natural resources now held out of use will become available to the workers. This is one of the most radical measures that has anywhere been proposed and it augurs well for the rapid progress of the taxation of land values in the United States. What is most significant is that organised labour has endorsed the proposal.

Queensland Tax on Unimproved Land Values.

Queensland, whose local rating system is based purely on the taxation of unimproved land values, has made a further advance by imposing under the Land Tax Act passed on 29th December, 1915, a tax on land values for State purposes which is operative as from 1st July, 1915. Subject to an exemption of £300, the tax rate is 1d. in the £ on owners owning less than £500 unimproved value and rises by gradations to 6d. in the £ on owners owning £75,000 or more. There is in addition a special tax on undeveloped land at a uniform rate,

which for the year beginning 1st July, 1916, will be 1d. in the £, for the year beginning 1st July, 1917, 1½d. in the £, and thereafter 2d. in the £. Undeveloped land is defined as land which has not in or upon it improvements of at least one-fourth of the unimproved value of the land.

The Act gives plenary powers to the Commissioner of the Land Tax to require information from any persons whether taxpayers or not, and in particular compels owners of all land of unimproved value of £200 or more to furnish returns of the improved and unimproved value of their land. The penalty for not furnishing returns is a fine of £100, and in the case of fraudulent undervaluation £500 plus treble the tax that would have been evaded, or forfeiture of the land. Where there is undervaluation to the extent of twenty-five per cent. or more but without intent to evade taxation, the State may acquire the land at the landowners' valuation.

Apart from the serious flaw of the £300 exemption and of the graduation of the tax, the Act is to be welcomed as another sign of the great progress Australia has made in the fight with land monopoly, and in the determination to take public revenues from the value that belongs of right to the community—the value of the land. Many of the provisions of the new legislation are instructive and deserve fuller treatment. We hope to return to the subject.

A Trust that Failed.

Those who believe that a trust can be formed merely through the aggregation of capital without the assistance of monopoly of natural resources or other special privilege should consider the history of attempts to form monopolies which have been unsuccessful. An interesting illustration is dealt with in the decision of Judge Rose of the Federal Court in Maryland in the case of the American Can Company, charged with being a trust. The court found, says the PUBLIC (Chicago, March 24th), that originally the company had succeeded in monopolising 90 per cent. of the can manufacturing industry. But it further found that the price established for cans induced outsiders to establish competitive plants, and these forced down prices so that by the time the case came up for decision the defendant concern was making only one-third of the can supply of the United States and could not be reasonably considered a monopoly.

Evidently the promoters of the American Can Company made the mistake of assuming that a large aggregation of capital was enough to enable them to retain monopolistic power. Apparently they did not realise the essential need, to a monopoly, of some privilege, some grant from the government of power denied to others in the same business. Had the company obtained such a privilege, there would have been a different tale to tell. It might, for instance, have obtained a monopoly of natural resources from which raw material is obtained for one or more ingredients needed in the making of cans. That would have made competition impossible. Others might have duplicated the plants and machinery, but they could not have duplicated the natural sources of supply. Or it might have secured special rates of transportation, together with a protective tariff that would prevent competitors from importing supplies, or consumers from getting the finished product from abroad. Had this been done, no court decree, under existing anti-trust laws, could have interfered with the monopoly. The successful trust promoter must take economic laws into consideration if he would make his enterprise a permanent success.

A Trust that Succeeded.

An illustration of a successful trust is to be found in another recent American case. The Associated Billposters of the United States and Canada, known as the Billboard Trust, was found to be a "combination in restraint of trade" by Federal Judge Landis at Chicago on March 14th, and was ordered to dissolve. The association was found to have leased most of the available sites for billboards, and Judge Landis declared it to be "not a case of mere restraint but of total exclusion." Here is a clear case of a trust founded on land monopoly, though the casual observer might not realise it. The Court's decision that the trust must dissolve will make no difference to the power of these monopolies so long as they have the power to hold billboard sites out of use. Whether there be one company or half-a-dozen they will be able to continue restricting the supply and forcing up prices until the Government enacts the only effective anti-trust law—a substantial tax on land values.

Industry after the War.

Discussion of the probable economic state of Europe after the war is almost as keen in the United States as it is here. One particularly interesting forecast appears in the last market letter of Messrs. Warren W. Erwin of the New York Stock Exchange. It runs thus:—

That the recuperative power of Europe will, after the war, be great, industrially, is probable. Political economists, from John Stuart Mill to some of those of to-day, tell us that wars destroy but little that would not soon have been destroyed and replaced, in any case. If a country's effective population has not been extirpated or is not left in a starving condition, it will, in a brief period, said Mill, produce and acquire collectively as great wealth and as great capital as it had before the destructive war occurred.

We expect to see the warring nations revive and prosper as never before, but we do not expect to see them do so until they tax land values heavily. This they may or may not do before their populations have so diminished that they must repudiate their debts and begin anew.

Even without wars the cost of most modern governments has become so heavy that it cannot much longer be met without heavily taxing land values. Income and inheritance taxes are but little better than temporary expedients. Not only do they virtually confiscate wealth and tend to drive capital out of the country, but they discourage the reproduction of wealth. Land value taxes, on the contrary, encourage industry and the production of wealth.

This statement, though written for the benefit of the American investor, is worthy of attention by us who have to bear the burden of the war. It is so clear and explicit that we need only elaborate one point. If the recuperative power of Europe is so great, why is it that the warring nations will not revive and prosper until they tax land values heavily? It is because the skill, intelligence and energy which is capable of repairing the destructive effects of war is powerless until it obtains access to the land, the source of raw materials; and the more actively the nations of Europe attempt to repair the havoc the greater will be the incentive to those who own the land to raise higher and higher the price at which they will consent to allow labour to have it, and the sooner will industry be checked at the source and the world be faced with that industrial crisis which many foresee without understanding. The only means of preventing this development is, as the statement we have quoted says, heavy taxation of land values, taxation so heavy as to make the holding of land out of use a losing game.

LAND VALUES

Twenty-second Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.
(United States and Canada, 50 cents.)**Editorial Offices:****The United Committee for the Taxation
of Land Values,
11, Tothill Street, London, S.W.**Telegrams: "Eulav, Vic, London."
Telephone: Victoria 7323.*All communications to be addressed to the Editor.***"OUR POLICY"**

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

THE BUDGET AND LAND VALUES

The recent Budget follows its predecessors in imposing further burdens on trade and industry. The bulk of the revenue, as one of its commentators observed with unconscious irony, is derived from familiar sources. Food taxes, which were long ago marked down for abolition, have not only been maintained, but have been increased to produce twice or thrice their yield in peace time. They have been supplemented by harassing duties, expensive to collect, unjust in incidence, and harmful in effect. Within a year indirect taxation, thought to be an evil peculiar to Protectionist countries, has been increased by roughly 42½ millions; prices of the articles taxed have been raised by a corresponding or greater amount, and to that extent wages and earnings have been diminished. The reduction in the income tax limit, the inclusion of weekly wages, and the subsequent increases in the rate of tax, which now commences at 2s. 3d. in the £, make a heavy demand on many who will find that and other public burdens most difficult to meet. It is certain also that a large part of the tax on higher incomes, whether earned or unearned, falls not on those who are the immediate payers, but is shifted on to the shoulders of others in higher prices and higher rents. There can be no dispute that such is the incidence wherever the income tax is assessed on buildings, and in that respect Schedule A imposes precisely the same kind of tariff on improvements as do the local rates.

We are not so much concerned, however, with what the Budget has done as with what it fails to do. Continued resort to the "familiar sources of revenue" is another word for continued reaction, and expresses eloquently enough the refusal of the Government to put an end to the absolute exemption of privilege and monopoly from taxation. There was before the war an

insistent demand for the taxation of land values, a demand which had placed in the House of Commons a majority pledged to the reform, not alone as a fiscal measure, but also as an effective remedy for great abuses in the tenure of land and for the social wrongs that arose out of those abuses. Nothing has happened to remove the need for reform; on the contrary, the circumstances of the war, and the conditions that are sure to supervene when it comes to a close, have made it all the more urgent and imperative. Yet at the very time when the greatest sacrifices of life and treasure are demanded, and when everything should be done to make the best possible use of national resources, the Government permits production to be hampered by land monopoly and by a tribute of hundreds of millions paid yearly in rent; it ignores the opportunity to take for the community a value that the community itself creates, the one source of revenue that could be richly drawn upon without imposing any burden on industry. And it could be drawn upon immediately, for there can be no excuse that the plan is difficult or impracticable. Nothing stands in the way except the blank refusal on the part of the Government itself to touch the value of land as a specific object of taxation. The Land Values Group in the House of Commons have repeatedly demonstrated the justice and expediency of the proposal, and shown how easily and quickly it could be adopted by making use of the existing machinery established in the 1909 Budget valuations. A willing and determined Government would not have required such promptings from its own supporters or the help of such obvious advice.

The case has once more been clearly and explicitly put in the statement recently issued by the United Committee which, in repudiating the abortive land value duties as any instalment of the taxation of land values, offers a straightforward scheme for providing a practical definition of land value, and obtaining a proper assessment with the help of all the information the land valuation department has already collected. The national tax on the land value so ascertained could be imposed at once and could produce its revenues within the financial year. The defects of the existing valuation, its confusion, the delay in its completion, and the fact that it is out of date, can be rectified by a resort to methods that were originally contemplated in the Budget of 1909, and ought never to have been abandoned. Owners should be called upon, wherever the particulars are lacking, to declare what they think is the value of their land; the department would be in a position to check these valuations and to make forthwith any valuation in default of returns. Valuations made could be subject to right of objection and appeal, but

no objection should be allowed where the person interested has not returned his estimate of the land value. It cannot be questioned that this would speedily settle the valuation problem such as it is, and could give no ground for complaint.

The scheme put forward by the Committee allows for the tax already imposed under Schedule A of the Income Tax, which, in so far as it falls on the site and not on the improvements, is a tax on land values. In this way the land value which is now charged either nothing or less than its full share, because the owner withholds his land from full use and is to that extent exempt from Income Tax, would be brought under contribution without inflicting a double burden on the owners of land value where the property is fully improved.

The vacant sites in our cities and the land held in speculation in every part of the country at high prices, out of all relation to the rateable value, are notorious examples of the unjust incidence of taxation. The scandal is revealed almost daily in the experience of municipalities, builders, and all who attempt to buy or rent land in order to put it to better use; but no exposure could be more complete than the Official White Paper, No. 119 of 1913, compiled by the Local Government Board. There it is shown that in 1076 Urban Districts in England and Wales, with a total area of 3,884,139 acres, no less than 2,533,035 acres are rated as "agricultural land." The rates paid on the land rated as agricultural amount to only £400,689, out of a total rate burden of £35,429,361. These figures indicate clearly enough where untapped sources of revenue lie, for much of the land thus exempted is agricultural only in name, and is used temporarily for less productive purposes, while owners are waiting for the needs and growth of the community to pay the highest price the monopoly in land can exact.

The arguments for the proposals we press on the Government and the House of Commons are unanswerable. As the United Committee declares in its manifesto:

"If there is one class that cannot make good any claim to escape fair contribution, it is that of the landowners who hold land which they are neither using nor allowing anyone else to use. The man who holds land out of use or only puts it to partial use is vetoing all the production which would be possible if labour and capital had access to that land on fair terms, and, by helping to maintain an artificial scarcity of land, he is increasing the price of it, and so worsening the conditions upon which labour and capital may obtain access to any land. In these days it is not only fair

but urgent for economic reasons that all landowners should be taxed alike on the true value of the land they hold. The great need now is, and will be in the years to come, to open up every source of wealth and to increase production in all possible ways, in order to maintain our economic position during the war, and to repair the waste afterwards. The taxation of land values is the surest means to this end, as it would tend to bring into full use land which, in the absence of such taxation, landowners are encouraged to under-use or keep out of use altogether. For the above reason it is urgent at once to take the necessary administrative and legislative steps to secure the taxation of land values." A.W.M.

DENMARK

New Valuation of Land

On November 9th, 1915, in the Danish Lower House, the Chancellor of the Exchequer introduced legislation amending the 1903 Property Tax Law. The first clause of the Bill provides that "a general valuation for property tax must be undertaken in 1916. In respect of this valuation the valuers must ascertain the value of the land, the land as it is without buildings, according to situation and according to the best economic use to which it could be put. Further instructions for valuation will be issued by the Chancellor of the Exchequer at a later date."

The Bill received Parliamentary sanction on the 21st of December, 1915.

In passing the above-mentioned Bill the Danish Government has met the claim and the need for absolute and official clearness as to the extent and distribution of land values in Denmark. This claim has been raised again and again by our friends and co-workers in Denmark, and we must cordially congratulate them upon this signal triumph of their efforts towards our common goal. We hope to give further reports of this recent Danish legislation in our next issue.

The 12th. Walking up a long hill, to ease my mare, I was joined by a poor woman, who complained of the times, and that it was a sad country; demanding her reasons, she said her husband had but a morsel of land, one cow, and a poor little horse, yet they had a *franchar* (42 lb.) of wheat, and three chickens, to pay as a quit-rent to one Seigneur; and four *franchar* of oats, one chicken and 1*l.* to pay to another, besides very heavy *tailles* and other taxes. She had seven children, and the cow's milk helped to make the soup. But why, instead of a horse, do you not keep another cow? Oh, her husband, could not carry his produce so well without a horse; and asses are little used in the country. It was said, at present, that *something was to be done by some great folks for such poor ones, but she did not know who nor how*, but God send us better, *car les tailles et les droits nous ecrasent*. This woman, at no great distance, might have been taken for sixty or seventy, her figure was so bent, and her face so furrowed and hardened by labour,—but she said she was only twenty-eight. An Englishman who has not travelled, cannot imagine the figure made by infinitely the greater part of the countrywomen in France; it speaks at the first sight, hard and severe labour: I am inclined to think, that they work harder than the men, and this, united with the more miserable labour of bringing a new race of slaves into the world, destroys absolutely all symmetry of person and every feminine appearance. To what are we to attribute this difference in the manners of the lower people in the two kingdoms? TO GOVERNMENT.—A. Young's TRAVELS IN FRANCE, 1787-9.

THE ECONOMY AND FINANCE OF THE WAR

The war has had the effect of resuscitating quite a number of economic delusions—from Protection to the proposal to finance the war by the issue of thousands of millions of bank notes—some of which, such as the virtues of economy in the purchase of luxuries, have been advocated by persons of distinction. It is refreshing, therefore, to discover a book by a well-known economist which deals with the economic problems arising out of the war in a straightforward and reasonable fashion, and in some respects in an amazingly radical fashion. Such is Professor Pigou's essay on *THE ECONOMY AND FINANCE OF THE WAR*.*

The money costs of the war were for the year 1915-16 1,300 million pounds over and above the normal revenue requirements of the nation, and if the war continues for another year they will be even larger. This sum represents the value of the real things absorbed in the war, the value of the goods and services that the Government has required. But, says Professor Pigou, the things absorbed for use in the war and the real costs of the war to the nation are not exactly identical.

If there had been no war, the great bulk of the things that are absorbed in it would not have come into being at all. The particular sorts of service which soldiers and munition makers render would not have been rendered. The real costs of the war to the nation, then, consist, not in the things that are actually absorbed in the war, but in the things—including the leisure of some of its workpeople—*which the community has to do without in order that these things may be provided.*

Professor Pigou then proceeds to discuss some fallacies connected with the real costs of the war. The first of these is one that must have caused difficulty to every reflective person. The costs of the war are represented by 1,300 million pounds, and yet the income of the people of this country as it stood before the war was estimated at only 2,300 millions. It would appear at first sight, then, that the cost of the war amounted to thirteen twenty-thirds of the national income. "This estimate is incorrect, because it ignores the fact that, since the outbreak of war, general prices in England have risen till they are now some 40 per cent. higher than they were in the previous peace." To allow for this we must either estimate the costs on a lower basis or estimate the national income on a basis some 40 per cent. higher in order that the comparison may be just. The cost will then work out at, say, thirteen thirtieths of the income of the British people.

A second fallacy is to assume that "not only do we have to provide goods and services to the tune of 1,300 million pounds, but we have to provide them out of a real income enormously diminished." Professor Pigou illustrates the point thus: "If a man with an income of £2,000 spends £1,000 on a motor car, we can say *either* that he has devoted £1,000 of his income to this purchase, *or* that his income has been reduced by £1,000 through this purchase. But it would be a ridiculous blunder to say that he has *both* devoted £1,000 of his income to buying a car and has also reduced his income by £1,000." This fallacy arises in part from assuming that we, the

nation, do not include those persons who are soldiers or engaged on other military service. This will be clearly seen in the case of another fallacy—"that, when the size of the Army is given, the costs of the war to the nation may be made greater or less according as the rate of pay to the soldiers is high or low, and according as a large or small amount of money has to be paid in respect of their dependants." As Professor Pigou says, probably 90 per cent. of the people of this country believe that Germany can carry on the war with less expense to the nation than we can because the pay of her conscripts is merely nominal, and that it is cheaper for the British nation to have single men in the Army than married men. But to argue thus is to forget the fundamental proposition with which our author commences his inquiry, that the real cost of the war consists in "the productive services which these soldiers would have been rendering in industry if they had not been mobilised." To pay them or their dependants at a high rate does not cost the community any more; it merely transfers a certain amount of wealth from one portion of the community, the non-combatants, to another portion, the combatants and their dependants. Professor Pigou is one of the very few writers who, in discussing questions of this kind, has not been guilty of fallacies, such as have more than once been pointed out in this journal, arising from carelessness in the use of the terms "we" and "nation."

Such fallacies have been particularly common in the discussion of the influence of personal economy on the cost of the war. To abstain from the purchase of luxuries is not necessarily advantageous, to save on common necessaries is much more likely to be so; and in any case to make the personal economy effective the amount saved must be handed over to the Government by investing in the War Loan. To take an illustration of Professor Pigou's. If a man has been accustomed to buy a 1,000 pounds' worth of shells and explode them for his own amusement, and if he abstains from so doing and invests £1,000 in the War Loan, the saving has full value to the Government which thereby gets the shells it needs. But if he has been employing a person who can do nothing else to make 1,000 pounds' worth of lace, to save on that has no value; he loses 1,000 pounds' worth of lace, but the rest of the community gains nothing. It is advantageous, therefore, to lessen one's expenditure on commodities or services that the Government can utilise. For instance, to economise in the purchase of woollen goods will either enable the Government to obtain more khaki or to purchase khaki more cheaply.

Many other points discussed by Professor Pigou are well worthy of attention, but space forbids. The question of the foreign exchanges, for instance, he deals with very well, though not in a fashion that will please those who imagine that the rate of exchange between Germany and the neutrals has fallen to a point that will seriously incommode the German people. This subject we hope to return to in a later issue; and we shall now consider the method of raising money to pay for the war.

There are two ways in which the Government may meet the cost of the war in the first instance, by taxes and by loans, though ultimately there is only one, by taxation. "In a community where everybody was in the same position and of exactly similar wealth, the effect of a State loan of 1,000 millions and of State taxes

*THE ECONOMY AND FINANCE OF THE WAR. By Professor A. C. Pigou. J. M. Dent & Sons, Ltd. 1s. net.

to that amount would (except in respect of cost of collection) be practically identical. No doubt, under the loan method interest would be paid in the future, and under the tax method it would not. But the interest itself would have to be raised by new taxes; so that, if all members of the community were in the same position, the interest that each of them got would be, in effect, paid out of a new tax of equivalent amount levied on himself." Unfortunately we have not a community in that happy position, and Professor Pigou foresees the danger which has already been pointed out in LAND VALUES that the rich will bear the immediate burden, but that the poor will have to shoulder it in the long run. He says:—

Under the tax method the rich and the moderately rich really shoulder the whole burden of the charge that is laid upon them. Under the loan method they do not do this; because they are compensated afterwards through taxes laid for that purpose partly on themselves, but partly also on other and poorer sections of the community. Under the tax method a great deal of money is obtained from the very rich and the rich of this generation without compensation. Under the loan method the same amount of money is obtained from them, but a contract is appended to the effect that the poorer classes in future generations shall pay money to their descendants as a reward for their present patriotic conduct. That is the vital difference between the two methods.

Professor Pigou proceeds to point out that this line of argument is strengthened by a number of other considerations. The position of the poorer classes will be relatively worse compared with that of the richer classes after the war than it was before. The Government is now paying a nominal rate of interest on the last War Loan of $4\frac{1}{2}$ per cent., but the capital or commodities that it is so securing are raised some 30 or 40 per cent. above their normal price. After the war general prices will be much lower again, but the interest now stipulated for must continue to be paid. "That is to say, though the nominal rate of interest in terms of money is only $4\frac{1}{2}$ per cent., the real rate in terms of things is probably something more like 6 per cent. Thus, the rich stand to gain largely as an indirect result of the war. On the other hand, the poor stand to lose." And further, the normal accumulation of capital for use in industry is not now taking place, and the production of wealth after the war will be to that extent hindered, capital will be scarce and obtain a greater share of the earnings of industry, and labour will obtain so much less. Professor Pigou continues:—

This, however, is not all. As a matter of practice it is almost certain that, when very large levies are required from the rich, these will not be provided without considerable resort on their part to the device of borrowing from banks. If, as is probable in the case of very large levies, their borrowings for war loans and war taxes, coupled with the war loan subscriptions of the banks themselves, exceed their normal borrowings in times of peace, there is likely to occur a certain amount of currency inflation. This means that the bank money handed over to the Government and expended by them has reached such a large amount that it causes prices to rise. The result is that the money income held by the poor, since wages are not likely to rise as rapidly as prices, buys them less commodities than it bought before. This means that, in effect, a part of what the rich hand over to the State in their War Loan subscriptions is really exacted without interest from the poor. For inflation acts like a proportionate tax upon the expenditure of all classes, and such a tax, of course, hits poor people more severely than rich people.

Could any more damning indictment of our financial system be imagined?

Let us turn now to what is likely to happen after the war, and of this Professor Pigou gives us merely a hint. The national debt will, of course, be enormous, but this would in itself be no hardship to the country as a whole if it does not involve taxation which will impede industry and hinder the production of wealth. What the national debt involves, says our author, is "only a remodelling of distribution." "It threatens, not national penury, but only a struggle between people of different grades of wealth as to how much those in one grade shall pay over to those in another." The productive capacity of the nation will to some extent have been impaired, because the creation of new capital has been smaller during the war than it would have been normally. "The full measure of this loss is not to be found by a study of production alone . . . a necessary result of the shortage of capital is to increase the rate of reward which the providers of capital can claim for their services and to diminish the rate which the providers of labour can claim; this involves a worsening of the way in which the nation's real income is distributed."

When peace breaks out, there will be a period of "difficulty and waste and confusion while industry is readjusting itself to peace conditions," but Professor Pigou anticipates that "after the first few months of transition, the very destruction and check to new creation of capital, for which the war has been responsible, will be sure to have left open immense fields for profitable enterprise. It is practically certain that, to make good the havoc and the waste of war, there will be a strong industrial boom. This boom, if history is any guide, will generate in many minds an unreasoning sense of optimism leading to much wild investment. The result, some years afterwards, will be failures, crisis and depression." At this point Professor Pigou's inquiry breaks off. Let us pursue the investigation for ourselves. What species of speculation will this temporary boom engender? Surely, speculation in the one article that is the basis of all industry, that supplies the materials it uses and the sites on which it is carried on, the land. It is speculation in that alone which can lead to any serious crisis, for speculative increase in the value of land clogs industry at its source. It was this that happened after the Franco-Prussian War. As another political economist, Professor Adolf Wagner of Berlin University, has pointed out the price of land in Germany rose by leaps and bounds. The soldier who returned from the war found his rent raised enormously, employment scarce, and wages low. That is the danger that faces us in this country at the close of the war, a danger that can only be averted by prompt and vigorous action.

Grave as the prospect is, the solution of it is not too difficult for a people that realises the danger. There is in existence a valuation of land, a valuation staff, and a tax-collecting staff that, without much difficulty, can be turned at once to the task of collecting a general tax on land values. The imposition of such a tax will prevent the land speculation and the consequent distress and unemployment that will arise after the war, and it will solve the other difficulty which has been referred to—the danger that the cost of the war will be shifted on to the poorer classes of the community, and that the rich will escape and perhaps even profit by this disastrous conflict.

F. C. R. D.

THE NEXT STEP IN LAND VALUATION AND TAXATION

Statement by the United Committee for the Taxation of Land Values

Are Land Values Taxed Already?

It is sometimes said that land valuation has been provided for and that land values are taxed already under the Budget of 1909.

That Budget did indeed provide for a valuation, and for the imposition of the so-called "Land Value Duties." This valuation has been completed, except that the final settlement of some cases has been postponed pending appeals in the courts and on the plea of the war. Half-hearted attempts have been made to levy the Duties.

Of those Duties, the Increment Value Duty, the Reversion Duty, and the Undeveloped Land Duty have yielded hardly any revenue. The Mineral Rights Duty has yielded a little more, but it is a duty on mining royalties, and not a tax on the value of mineral-bearing land. The total revenue derived from all the Duties has been quite disproportionate to the cost of the valuation and of the assessment and collection of the Duties.

The conclusion which is sometimes drawn is that the Taxation of Land Values has been tried, and has been proved to be a costly failure. This is a complete misconception.

Failure of the So-called "Land Value Duties"

The system set up by the Budget of 1909, with its "gross value," "total value," "full site value," and "assessable site value," involved much unnecessary expense and delay. The valuation and assessment created the maximum of friction and opposition, and after six years there is no prospect of the Duties bringing in any substantial revenue.

Even if they could be effectively levied, those Duties, being charged occasionally on a very small fraction of land value and on very small classes of land, and being whittled away by abatements and exemptions, would not be in any way equivalent to an annual tax on all land values properly defined.* They would not have the economic effect of such a tax, nor be any substitute for it as a revenue-producing instrument.

It does not, however, follow that the machinery of

* "Increment Value Duty is only charged upon sites which have increased in value at the time when they changed hands. Even then no duty is chargeable if the increase is less than 10 per cent. ; and in any case the charge is not measured by the site value as a whole, but by the increment value, less 10 per cent. of the original site value. It is thus very far from being a general duty on site value. . . . Undeveloped Land Duty is limited to one particular class of land, *i.e.*, land which is ripening for building, and this class has been largely cut down by the provisions contained in the Act for exemptions and abatements. For instance, if within twenty years the owner has spent a sum equal to £100 per acre on the provision of roads and sewers, the whole of his land included in a scheme of development is exempt from duty, and in this way the greater part of the most valuable undeveloped land has become exempt. Moreover, if undeveloped land is used *bona fide* for any business, trade, or industry other than agriculture, it is also exempt, however inadequate such use may be compared with the value of the land." (Separate Report, Departmental Committee on Local Taxation, Blue Book Cd. 7315, 1914, p. 115.) And in the case of agricultural land of which the site value exceeds £50 per acre, undeveloped land duty is chargeable only on the amount by which the site value exceeds the value of the land for agricultural purposes. No duty is chargeable in any case where the site value of the land does not exceed £50 per acre.

land valuation, and the data which have been collected at great expense, have been proved to be useless and should be thrown on the scrap-heap, as was proposed recently by the opponents of the Taxation of Land Values. It is Part I of the Finance (1909-10) Act, 1910, which has proved a costly failure, and not the Taxation of Land Values. It was the complex and arbitrary definitions of value, and the adoption of the fantastic and abortive "Land Value Duties" instead of a simple tax on land values, which brought about the unsatisfactory financial result—the meagre revenue and the excessive cost of making the valuations and assessing and levying the Duties.

A Practical Productive Tax on Land Values

A single Valuation Roll of Land Values could have been—and can now be—completed, and an annual tax could have been—and can now be—levied on such values at much less cost and in a much shorter time, and such a tax would have produced—and would now produce—at once a great and growing revenue.

It was with a view to such a use that the advocates of the Taxation of Land Values supported the principle of Land Valuation and have since tried year by year to obtain a more serviceable valuation. That the method and object of valuation has been temporarily perverted, is no reason why the work done and the expense incurred should be thrown away. The proper conclusion is that the machinery still in existence and the data already obtained should now, when the need for revenue is greater than ever, be put to the fruitful use for which they were originally advocated and which they can now fulfil.

An Untapped Source of Revenue

That there is a large untapped source of revenue in land values is certain. The value and extent of the land which now escapes assessment for the rates and taxes which purport to fall on landed property generally, is indicated in Appendix A. Now that the work of valuation has made it possible to tap that source, it is inconceivable that, in the present financial emergency, the Government should abandon this new source of revenue and allow it still to run to waste.

Definition of Land Value

The first requirement is a single, simple, and practical definition of land value. The number of different values defined by the Act of 1910 has made it impossible for any but experts to deal with questions arising under the Act, whereas it is desirable that a national tax on land values should be comprehensible in its nature, basis, and incidence to any intelligent citizen.

Land Value is a value attributable to the community, and should be defined as the market value of each piece of land, free from encumbrances and all burdens and charges other than rates and taxes, but subject to public rights and all easements. There should be *included* in the land value the benefit of any franchise, licence, or monopoly. There should be *excluded* the value of buildings, structures, trees and shrubs, and of all improvements existing upon the piece of land which is being valued, and especially in the case of land used for agricultural purposes the present value due to

ploughings, seeds, sowing, tillages, or any other thing done for the purpose of cropping or feeding in the ordinary course of husbandry.

The value of minerals should be ascertained separately or included with the value of the surface as may be determined by the valuation authority according to the equity of each case.

The valuation should be made with due respect to the existence of all public streets, open spaces, railways, and other similar undertakings, and of all buildings, &c., existing upon all sites except the plot which is being valued. Owners should not be entitled to any deduction for the value attributable to works executed by them on land other than that which is being valued. The value of land is created and determined by the presence and activities of the population, and the proper method of valuing each separate plot is to consider that plot as a bare site, and to exclude the value of all improvements made upon it, while recognising the existence of all other improvements wherever they exist. The owner of a number of properties in addition to the one which is being valued is, in respect of the latter, entitled to a deduction only for the improvements upon it. In respect of the plot which is being valued he is no more entitled to any deduction for improvements on other properties than are the other members of the community whose presence and activities and expenditure have created and maintain the value of the land.

How the Valuation Roll can be Completed

A Valuation Roll of land values on this basis could be completed now with very small expense and trouble, and the tax might be collected in the same year that it is imposed.

Every property in Great Britain has now been surveyed and valued under the Act of 1910, and particulars of all subsequent dealings in the properties have presumably been recorded with a view to the levy of Increment Value Duty. The "full site value" as defined by the Act of 1910 has presumably (though the published Reports are silent on this point) been ascertained in all cases, and all that remains to be done is to adjust the valuation according to the proper definition of Land Value and bring it down to date for the purpose of the new tax.

It is only necessary that the information now in the possession of the Valuation Department should be supplemented by particulars, to be furnished by owners, of their holdings as they exist to-day. Such particulars could be obtained by means of a short and simple form of return which owners should be required to procure and fill in at once. In this return, owners should also be called on to give their own estimate of the value of their interest in accordance with the definition embodied in the Bill. This would materially lessen the work of the Valuation Department, and ensure the completion of the new Valuation Roll in time for the tax to be collected within the first year. The Valuation Department will be in a position to check the owners' valuations, and to make forthwith any valuations in default of returns.

The present financial emergency has already been held to justify new and drastic methods for assessing taxes. Landowners may be expected not to fall behind other persons in co-operating patriotically with the Government, especially if it were provided that the initial valuation should be revised after the War and that any necessary allowances and adjustments should then be made.

Apportionment of the Tax

Each piece of land should stand charged with the full amount of the tax—say twopence in the pound—on its land value, and where there is only one person interested in the land value, that person will pay the full amount of the tax. But where there are more than one person interested in the land value, each person should be charged with his share of the tax in proportion to his interest in the land value for the period for which the tax is levied. Provision should therefore be made for apportioning the tax between the several interests in the ratio of the annual amount of land value belonging to each interest. Examples of apportionment are given in Appendix B.

Right of Appeal

Landowners having, since the Act of 1910 was passed, had ample notice and opportunity to inform themselves as to the particulars and value of their interests, should have no difficulty in submitting estimates which would in most cases be acceptable to the Valuation Authority. But in accordance with the original provisions of the Finance Bill of 1909, any person aggrieved should have a right of objection, and, failing agreement with the District Valuer, a right of appeal, within such time and in such manner as may be provided by rules made by the Treasury, against the valuation and the amount of any assessment of duty. Such appeals should be heard in the locality where they arise by one of the referees on the panel established by the Act of 1910. No objection against the valuation should be allowed to be brought by any person who has not returned an estimate of the land value, and the valuation should not be allowed to be questioned on an objection to an assessment of duty. When the valuation has been completed it should be published, as recommended in the Separate Report on the Rating of Land Values of the Departmental Committee on Local Taxation (Cd. 7315 of 1914, p. 117).

Allowance in Respect of Property Tax

The levy should be on all land values, but the tax paid could be taken into account in connection with the levy of Income Tax, Schedule A. It could be provided that the amount of Property Tax in respect of the annual land value in the Schedule A assessment could be remitted so far as it did not exceed the amount of the Land Values Tax. In this way the land value which is now charged either nothing, or less than its fair share, because the owner withholds his land from full use, would be brought under contribution without inflicting a double burden on the owners of land value. The "Land Value Duties" should be dropped, so that the whole of the time and energies of the Valuation Department might be devoted to the new Valuation, leaving the collection of the tax in the hands of the Revenue Authorities.

Fairness and Urgency of the Proposal

Anyone looking at this proposal impartially can hardly fail to recognise its fairness and its urgency in these days of financial strain, when all sources of wealth are called on to contribute their fair share. If there is one class that cannot make good any claim to escape fair contribution, it is that of the landowners who hold land which they are neither using nor allowing anyone else to use.

The man who holds land out of use or only puts it to partial use is vetoing all the production which would be possible if labour and capital had access to that land on fair terms, and, by helping to maintain an artificial scarcity of land, he is increasing the price of it, and so worsening the conditions upon which labour and capital may obtain access to any land. In these days it is not only fair but urgent for economic reasons that all landowners should be taxed alike on the true value of the land they hold. The great need now is, and will be in the years to come, to open up every source of wealth and to increase production in all possible ways, in order to maintain our economic position during the war, and to repair the waste afterwards. The taxation of land values is the surest means to this end, as it would tend to bring into full use land which, in the absence of such taxation, landowners are encouraged to under-use or keep out of use altogether.

For the above reasons it is urgent at once to take the necessary administrative and legislative steps to secure the Taxation of Land Values.

THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES.

Broad Sanctuary Chambers, *April, 1916.*
11, Tothill Street,
London, S.W.

APPENDIX A.

That there is an untapped source of revenue in land values is clear. It is sometimes said that land values already pay Property Tax (Income Tax, Schedule A). It is true that in the case of small occupied properties let by the week, month, or year, the rent is the basis of assessment, and the rent includes the full land value. But in the case of large properties not usually let on short terms, there is no standard such as rent to go by, and, as the present assessors are not skilled in valuation, such properties are under-valued for assessment; and some portion of the land value escapes. Again, valuable sites are often occupied by old and unsuitable buildings, and the greater portion of the land value escapes. It is common for land which is ripening for building to be used for agricultural purposes or for sport, and in that case it is assessed according to the value of such use. Here, also, the greater portion of the land value escapes. Lastly, very valuable land often lies unused for years, because the owner stands out for too high a price. In such case the whole of the land value escapes except in so far as it may come within the scope of the Undeveloped Land Duty, which is quite inadequate. In the aggregate land values which thus escape there is a large new source of revenue.

Some indication of the extent of the land and amount of the value which escapes assessment is to be found in the figures relating to local rates, the assessment for which, as for Income Tax, is determined by the actual use or non-use of the land.

About two-thirds (65 per cent.) of the land in urban districts is rated as "agricultural land," though very valuable and urgently wanted for housing and industrial purposes. Being put to this inferior use, it is assessed at an insignificant amount, and contributes only 2½d. out of every £ collected in rates.

These figures are not guesswork. They are based on an official document—White Paper 119 of 1913—which gives particulars of how the burden of rates falls

in 1,076 Urban Districts in England and Wales, having a population, in 1911, of 21,206,450. The totals for all these Urban Districts are as follows:—

Total area	3,884,139 acres.
Area rated as "agricultural land"	2,533,035 acres.
Rates paid on all land	£35,429,301
Rates paid on land rated as "agricultural land"	£400,689

APPENDIX B.

EXAMPLES OF APPORTIONMENT OF TAX.

CASE A.—House let on lease for 21 years at a rent of £110 per annum.

Land Value £600.

Land Value Tax at 2d.—£5.

The rent represents the full annual value of the property, so that the Lessee, included in his rent, pays to the Lessor the full value of the land.

Charge upon Lessor.—£5

Charge upon Lessee—nil.

CASE B.—House and shop let on lease for 79 years unexpired at a rent of £60 per annum.

Land Value £675.

Land Value Tax at 2d.—£5 12s. 6d.

This Lease was granted 20 years ago when the rent represented the fair net annual value. The premises are now worth £80 per annum owing to an increase in Land Value. The rent of £60 includes £15 for Land Value; and the Lessee enjoys (without payment) £20 annual Land Value.

Charge upon Lessor 15/35 of £5 12s. 6d., or £2 8s. 2d.

Charge upon Lessee 20/35 of £5 12s. 6d., or £3 4s. 4d.

CASE C.—Chapel let on lease for 99 years at a ground rent of £8 per annum.

Land Value £280.

Land Value Tax at 2d.—£2 6s. 8d.

The land value is now £14 per annum, of which the Lessor receives in rent £8, and the Lessees (the Chapel Trustees) enjoy £6 without payment.

Charge upon Lessor 8/14 of £2 6s. 8d., or £1 6s. 8d.

Charge upon Lessees 6/14 of £2 6s. 8d., or £1.

CASE D.—House and shop let on lease for 80 years at a ground rent of £6 per annum, and sub-leased for 21 years at a rent of £50 per annum.

Land Value £200.

Land Value Tax at 2d.—£1 13s. 4d.

The land value is now £10 per annum, having increased since the original Lessee built the house. The rent of £50 is the full rack rent, so that the Sub-lessee enjoys no land value that he does not pay for in his rent. The Lessor receives only £6, so that the balance (£4) is obtained by the Lessee.

Charge upon Lessor 6/10 of £1 13s. 4d.—£1.

Charge upon Lessee 4/10 of £1 13s. 4d.—13s. 4d.

Charge upon Sub-lessee, nil.

THE GOOD SAMARITAN

By Herbert S. Bigelow

The guinea pig is not an impressive animal. But he has a remarkable name. This name is remarkable in that the animal is not a pig and did not come from Guinea.

Oliver Wendell Holmes used to protest, in his gentle way, against the misuse of the term, the Christian religion. He thought that in some cases the name guinea pig religion would be better, since what was sometimes called Christian religion was neither Christian nor religion.

The parable of the Good Samaritan is an exposition of religion as taught by the Founder of Christianity. It would not be fair to say that this parable is a complete exposition. But it is fair to say that the quality insisted upon by the parable is essential to any religion which is rightly called Christian.

Now, the priest and the Levite of the parable were the respectable representatives of the orthodox religion of their time. The Good Samaritan was a despised heretic. Yet in exalting the Samaritan the Author of the parable does not commit himself to the Samaritan heresy. He does, however, go so far as to say that the deed of the Samaritan is a more satisfactory test of a man's religion than the creed of the priest.

The Samaritan could not have improved upon himself by exchanging his humanity for the orthodoxy of the priest. But the priest could have improved upon himself by exchanging his orthodoxy for the humanity of the Samaritan.

Noble acts are better than icy opinions. Mercy covers a multitude of heresies. Whatever else the Christian religion may be, we are entitled to say that one of its essential qualities must be a warm-hearted devotion to the needs of suffering humanity.

This parable certainly teaches that if we ever happen to be on the road from Jerusalem to Jericho and hear a man groaning in a ditch, it is our duty to go to the man, bind up his wounds, get him to the nearest house or hotel and see that he is cared for and not left to die. But it must be admitted that this parable will have slight application in our day if we wait to encounter precisely these circumstances.

The business of the highwayman was a conspiracy in restraint of trade. Modern governments have suppressed the highway robber. Our Supreme Courts will not permit robberies that are not reasonable. We do not tolerate any unrefined methods of getting something for nothing.

We have to deal, not with the occasional victim of personal violence, but with the widespread effects of unjust institutions. The charity of a primitive community is no substitute for the justice of a complex society.

A man cannot be a Good Samaritan to-day, certainly not in any very vital or important way, unless he has imagination to feel the suffering he never sees, and economic understanding to provide an institutional remedy for institutional ills.

The case which is presented in the parable appears to be one which called for charity and nothing more. But suppose that Jerusalem and Jericho had been self-governing communities. Suppose that the Samaritan had been a Jericho merchant, with a vote in his city and a political influence there. Suppose he had been well aware of the fact that his city government was corrupt and in league with robber bands which raided travellers under protection of the police, and divided the booty with political bosses. Suppose he had known that this wretched man was in reality, therefore, a victim of the Jericho government, which might have protected the life and property of all, but which was run to foster the predatory interests of a few.

If this had been the situation, it could not have been satisfactorily met by isolated acts of charity. After caring

for this one victim, it would have been the duty of the Samaritan to try and prevent a repetition of such crimes. It would have been his duty to try to break up the partnership between his city government and the robbers.

If we can prevent suffering it is more important to do so than to relieve it. We may feel constrained to pay our tithe to charity, but we should not omit the weightier matters of the law; certainly not if we believe that the greater part of the suffering is needlessly produced by the injustice of the law.

If we attribute the ills of humanity to personal delinquency, we shall rely, for improvement, upon agencies that aim to control individual conduct and improve personal character. If we attribute the ills of humanity to the poverty which results from unwise social arrangements, we shall rely, for improvement, upon movements that aim to change political opinion and improve economic conditions.

Some may expect too much, others too little, from social changes that seem only to alter the outer conditions of life. We hold, however, that if there should not be less charity there certainly should be more justice; that if there should not be more effort to relieve suffering, there should certainly be more effort to prevent it. Man's tendency is upward not downward. Our first duty to him is to see that he has the freest and fullest opportunity possible.

More Good Samaritans are needed in politics—men who have a vision of what an infinite mercy it would be if we could uproot from our government every vestige of special privilege and guarantee to every man an equal chance with every other.

We need Good Samaritans who have, besides the vision, the faith that this can be done; men who, with consecrated enthusiasm and a sound comprehension of economic laws, will work passionately for a truer freedom than the world has yet known. This is what we call the religion of inspired politics.

The problem of the Good Samaritan in our day is essentially a problem of government. Adequate remedies must come, not through personal, but through political action.

If the Christian religion necessarily implies devotion to the needs of suffering humanity, and if these needs cannot be served, save by the agency of government, then it is an important function of the Church to urge upon men the duty of political justice.

Let us examine two questions. What are the problems of the modern Samaritan? To what extent is government responsible for these problems?

The Samaritan of the parable found on the roadside one victim of an illegal industry. In the United States there are over three million victims a year of our legal industries. Let us erect here on this stage a wooden platform the length of a man's body. Let us raise on each side of the platform a tall timber, and join them with a beam at the top. Let us fix a heavy piece of wood to slip up and down in grooves. On the under side of this moving piece let us fasten a sharp, ugly knife, so that when the piece falls the knife will cut off the head of a man, or anything else that may be under it. This is a guillotine. Now, suppose we adjust this pleasant contrivance so that it will work automatically and as rapidly as we desire. Let us set the clock so that the knife will drop every ten seconds. Then every minute there are six blows of the knife, and each blow represents what is said to be a needless and preventable injury or sickness or death in the United States. If I talk an hour the knife will fall three hundred and sixty times. It will fall three hundred and sixty times the next hour and the next. It will fall three hundred and sixty times while you are eating your dinner. It will fall three hundred and sixty times while you are playing on the floor with your child. It will not cease while you sleep. Through the long night and the next day, and through all

the nights and all the days of the year it will keep falling.

These are not the victims of cut-throats on the highway. These are the men who are buried in the mines, where they are digging coal for our hearths. They are the men who are cast into fiery furnaces where they are blasting our steel. They are the men whose arms are caught in the looms and whose blood dyes our tapestries. They are the men who slip in the night and fall beneath the wheels of our trains. All along the highways of our industrial life are the bruised and the maimed, the dead and the dying.

Oh, yes, we are Good Samaritans. We build hospitals. Also we provide for factory inspection and we pass laws to check this terrible toll. But what about the killing speed of our factories? What about the mad rush of our industrial life, and reckless waste of our men? Are men goaded by fear of want? Are they lured by the chance of extortionate gain? If this is so, is it because God has been niggardly with us? Is it because nature has not made provision enough? Is it not rather that at the core of our industrial life there is the cancer of special privilege? Our government is not yet run in the interest of the life and property of all. It is not in league with robbers who kill men on the highways. But it is used for the defence of the privileges of the few, by which exploitation is legalised and industry is rendered more fatal than war.—(The PUBLIC, Chicago.)

All men are agreed as to the ethics of the Single Tax, that the earth was made for all men and not for a few. This is what Mr. George calls an instinct, an intuition of the human mind, a primary perception of the human reason. If we were to-day starting anew, the Single Tax would be manifestly wise as a method of taxation; if it could to-day be put into operation without injustice to anyone, it would still be a manifestly wise plan of taxation. Can it be done?

The Single Taxer is firmly of the opinion that it is no part of God's economy that justice to one man can work injustice to another; that for every alleged injustice to one man there would be a far greater justice wrought to hundreds and to thousands; that the vacant lot which is his only all, is not the poor man's universe; that his individual loss or benefit will be measured, not by his relation to that vacant, unproductive lot, but by his relation to the social fabric into which he is woven and to the universe of which he is a part; and that for every alleged confiscation there would be a score of compensations.

If the moral theory of the "compensationists" were sound, it would apply—and many of its advocates claim that it does apply—as well to slavery as to landlordism, so that slaves could not be justly set free unless the masters were compensated. The most outrageous act, then, of what the "compensationists" call confiscation, was committed by God Himself, when He led the Israelites out of Egypt. Instead of compensating the Egyptians, who thereby lost valuable "private property" which had had the sanction of four hundred years' acquiescence, He engulfed in the Red Sea those whose sensitiveness to the injustice of "confiscation" stirred them to follow and reclaim their confiscated property.

If the cinder is not removed from your eye at once, and inflammation followed, what then do you do? Do you bathe the head, apply a plaster to the back, hot water bottles to the feet, and some specific to the stomach? Or do you forthwith remove the speck from the eye whatever the pain it costs you? The smaller the offending cinder, the more intense oftentimes the inflammation, and the more difficult of removal. The longer the operation is delayed the more painful the conditions. While guarding well "the apple of the eye," what irritation from mote or beam or cinder can compare with the social irritation caused by injustice?—C. B. FILLEBROWN, "The A.B.C. of Taxation."

UNTAXING OF BUILDINGS

New York City Committee's Report

We are indebted to the City of New York Committee on Taxation for having sent us a copy of their Final Report and of two accompanying separate reports prepared by Dr. Robert Murray Haig.

The recommendations of the Committee were briefly referred to in our March issue, p. 311. The majority were opposed to the taxation of land values and the untaxing of buildings. They recommended a State income tax or if that was not feasible, a habitation tax, an occupation tax and a salaries tax; these are grouped and referred to as an "abilities tax." The majority was also in favour of a tax on the increment of land value. The minority, composed of Messrs. F. C. Leubuscher, D. F. Wilcox, Lawson Purdy, F. C. Howe and F. B. Shipley were in favour of a law "requiring a progressive reduction of the tax rate on buildings continuing until the rate on buildings should be one-half the rate on land."

The Committee's Report is chiefly of interest as a compilation of opinions for and against the taxation of land values. There is little else in its 376 pages. The concurring and dissenting Memoranda on other forms of taxation never get very far away from the question of site-values. We notice, among the witnesses called to give testimony, Messrs. Benj. C. Marsh, Charles T. Root, Benj. Doblin, Peter Aitken, J. P. Kohler, James R. Brown, Chas. O'Connor Hennessy, and Chas. H. Ingersoll, and Miss Grace Isabel Colbron.

The separate reports by Dr. Robert Murray Haig are entitled, "Some Probable Effects of the Exemption of Improvements from Taxation in the City of New York," and "The Exemption of Improvements from Taxation in Canada and the United States." The former is of statistical interest and shows among other matters (a) the effects of the change upon the tax burdens of the various Boroughs in the City and (b) the effects upon the tax burden of various types of property. Naturally, the burden on the land would be increased, and Dr. Haig estimates that if buildings were exempted from taxation to half their value, the amount now paid by the landowners in New York City would be increased from 84 million to 104 million dollars. The effects of the change upon various types of property depend on the ratio of the value of the land to the value of improvements in each case as compared with the average ratio of land value to improvement value throughout the City. Accordingly, in a number of properties, the total tax burden (because of the high ratio of land value) will be increased despite the fact that the improvement is exempted to half its value, but these properties are off-set in much greater numbers by those in respect of which the tax burden will be considerably diminished.

Dr. Haig's report on the Canadian and United States cities that have adopted the principle of exempting improvements from taxation is of more practical value. It provides the fullest and most authoritative story we have yet seen concerning what has been done in Vancouver, Victoria, Edmonton, Calgary, Houston, Pueblo, Everett, Pittsburgh, Scranton, and elsewhere. We may have occasion to return to this report for some account of the measure of progress carried out in these cities.

A. W. M.

M. L. G. Brettoneau (Nimes, France), in renewing his subscription to LAND VALUES, writes: "I take this opportunity of assuring LAND VALUES and its editorial staff of my admiration and sympathy, and of expressing the hope that the ideals of justice that you advocate will finally triumph."

THE EXAMPLE OF AUSTRALIA AND NEW ZEALAND

(Memorandum on Land Valuation addressed
to South American Single Taxers

By R. L. Outhwaite, M.P.)

It may with confidence, be claimed that the experience of Australia and New Zealand goes to show that when it is desired to initiate a system of land value taxation, the valuation should, in the first place, be compulsorily obtained from the landowners themselves. Land value taxation was first imposed in New Zealand and there the landowners were compelled to furnish the valuation under penalty. No difficulty arose and the subsequent tax was imposed with a minimum of friction. The latest land values tax to be imposed by an Australian State is that in Queensland which has just been adopted; the fact that in this case the owners are to be called upon to provide a valuation indicates that in the light of much experience, Australian Governments realise that this is the best method to adopt.

The most striking instance of valuation on these lines is in connection with the assessment of the taxable land of the Commonwealth of Australia precedent to the imposition of the Federal Land Tax. The Assessment Act was of a drastic nature—the landowners were called upon to furnish the value of their interests within three months under penalties which included fines for under-valuation and, in the case where the valuation appeared to be 25 per cent. under the true valuation, the onus was thrown upon the owners to prove that the valuation was not fraudulent and the land consequently not subject under the terms of the Act to confiscation without compensation. A land valuation commission was set up with power to supervise the owners' valuations and make provision for their correction. As a matter of fact, the cases of suspected under-valuation were few and the department felt called upon to return sums paid under the tax in the first year to owners who were considered to have over-valued their properties. The valuation presented fewer difficulties to the landowners than at first sight might be anticipated. In country districts the owners met at some central town surrounded by their properties and conferred together as to the value to be placed upon their acres. In the towns the owners with land fronting the same street met and conferred with a like object. In this way uniformity of valuation was secured.

It is clear that in the initiation of land valuation it is of paramount importance to call upon the owners of land to provide the data which they are best able to contribute. The State Valuation Department then has comparatively easy work in the matter of rectification and re-adjustment of values for the provision of a perfect valuation roll. This preliminary work accomplished, the State can, if it so desires, perform the work of future valuation.

In considering the Federal Assessment Act it has to be borne in mind that the Federal Land Values Tax which the Government sought to impose was not so much intended as a revenue-producing instrument, but as a measure to break up the large estates. For this reason the exemption was placed at the high figure of £5,000 of land value. This exemption, as in the case of other exemptions in land value taxes of the various Australian States, as also in the case of New Zealand, has already proved to be the cause of the tax not having the effect intended. It has led to a re-distribution of properties amongst owners and their families with the object of evading the tax with the result that land has not come into the hands of small users. It further results in the effect of a true land value tax in reducing the price of land not being achieved. Such a tax must reduce the price of land on which it falls by the amount of the value taken in the tax. But when a tax with an exemption

is imposed and land is sub-divided so that the value of each piece falls below the exemption point, then the owner is able to secure the same price as if there were no land values tax imposed. Those intending to initiate land value taxation cannot be too urgently warned not to fall into this fatal error into which Australasian Governments have been led for political reasons. At the same time, in considering the Federal Land Value Assessment and Taxation it has to be remembered that this system of exemption coupled with the graduation of the tax has led to complications and difficulties which would not arise in the case of a flat tax on all values. Before leaving this subject it may be pointed out that the action of the Federal Government was, to a certain extent, motivated by the fact that the various States had imposed taxes and rates upon land value and so the issue did not fall to the Federal Government solely to deal with. The experience of Australia leads to the conclusion that the best method for the initiation of valuation is to call upon landowners to value their land and to determine the value of the various interests therein. That this work should be supervised by a State Valuation Department. That a Land Values Tax without exemption or graduation should be imposed.

The advantage of the Australasian system of an owners' valuation is all the more apparent when we take into account the endeavour to secure a valuation of the land of the United Kingdom by way of officials. When the famous Budget of 1909 was introduced by the Chancellor of the Exchequer, Mr. Lloyd George, amongst its provisions were certain taxes which necessitated the valuation of land and the method of valuation was to be by way of the owners. These taxes, it may be remarked, were only regarded as of importance by the advocates of taxation of land values because they necessitated a valuation. The House of Lords had thrown out the Land Valuation Bill for Scotland which was to have been followed by a Land Valuation Bill for England and Wales, and it was recognised that the only way to secure a valuation, despite the opposition of the Landlords Chamber, was to introduce taxes into the Budget which necessitated valuation as the machinery of their imposition. As a matter of fact, for this reason, the Lords rejected the Budget and precipitated the conflict between them and the Democracy which led to the restriction of their powers. In the Budget as introduced, as has been said, an owners' valuation was provided for, but opposition on the part of powerful interests led to the abandonment of this method in favour of a State valuation. The valuation was complicated because it was in the main for the purpose of the imposition of the taxes such as the increment tax which found a place in the Budget, but which were no part of the demand of the land value taxers. They had demanded a flat tax on all land values and the disregard of their proposal by the Cabinet led to a multiplicity of complications in valuation and to little advantage being gained in the way of revenue. For five years the valuation has proceeded, thousands of officials were appointed, and millions of money were spent. Bitterest hostility was aroused among landowners, great and small, a maximum of irritation was created and in all directions the work of the valuers was challenged. And even now no valuation has been secured, though it is only fair to say, this in part arises from the departure in the Budget from the principles of land value taxation. In consequence, the United Committee for the Taxation of Land Values has drafted a memorandum urging the abandonment of all the duties relating to land imposed in this Budget in favour of a national flat tax upon land value. In order to expeditiously and economically secure a true value, this memorandum demands that the owners shall be called upon to supply valuation as regards properties not yet valued, and to record the value of the various interests in any particular piece of land where there is more than one interested party. It is proposed that the Central Land

Valuation Department and the main district offices shall remain in existence for the purpose of supervising valuations and compiling the valuation roll. As a result of the war and through the desires of the landowners the Land Valuation Department has been depleted of its officials, and public opinion would not support their re-appointment to the former number when an expeditious and economical method of valuation is to hand.

So when we regard the comparative ease and economy with which valuation through the owners has been secured by the Australasian Colonies in contrast with the difficulties which have arisen in the United Kingdom in connection with State valuation, the former method still appears as the beneficial one for the initiation of a system of land value taxation.

It may be remarked that in the various States of Australasia where the system of rating upon land values has been adopted the work of valuation has been done by the Municipalities whose officials have been accustomed to the determination of values.

It may be added in conclusion, the writer having had an intimate acquaintance with the work, that Australian precedents should be regarded with an eye to their failures as well as to their successes. The exigencies of party politics have frequently led to the violation of principle in the application of land value taxation. An exemption is an error of frequent occurrence—this has been provided for to mitigate the hostility of small owners of land and as has been shown, operates to the detriment of the landless, because it has prevented the land values tax operating to reduce the price of land. The proper method to meet the small user of land who is generally taxed already to more than the full annual value of his land by way of other taxes falling upon his industry, is, concurrently with a tax upon the value of his land, to relieve him of these other and greater burdens. The soundest system of a levy upon land values existing in Australia is to be found in the rating system of New South Wales. Of recent years New South Wales has swept away the old system of rating upon the capital value of land and buildings and imposed all rates upon the value of the land alone. This, with the exception of Central Sydney, which has not followed the example of all Sydney Suburban Municipalities. But a majority has recently been returned to the City Council pledged to the levying of rates solely upon land value, and it is therefore to be anticipated that shortly the whole of the rates of New South Wales will be raised in this way. Experience has so fully justified this reform here, as elsewhere, that no reversal of the system is possible. After a multiplicity of endeavours to solve the problem by other methods, the taxation and rating of land values holds the field as the only effective weapon for the destruction or mitigation of the evil of land monopoly.

Do you remember when I stood on the steps
Of the Court House and talked free-silver,
And the Single-Tax of Henry George?
Then do you remember that, when the Peerless Leader
Lost the first battle, I began to talk prohibition,
And became active in the church?
That was due to my wife,
Who pictured to me my destruction
If I did not prove my morality to the people.
Well, she ruined me:
For the radicals grew suspicious of me,
And the conservatives were never sure of me—
And here I lie, unwept of all.

—Epitaph of George Trimble in "Spoon River Anthology,"
by EDGAR LEE MASTERS.

THE DEMAND FOR LABOUR

"A demand for commodities is not a demand for labour."—MILL.

You quote this as a self-evident maxim in your April issue. Would you be good enough to expand it in your next issue for as it stands it seems to me obscure?

Yours, &c.,

NOT-QUITE-CONVINCED.

We readily admit, with our correspondent, that Mill's dictum and his presentation of it is somewhat obscure. He works it out in his PRINCIPLES OF POLITICAL ECONOMY (Book I., Chapter V., §9) and arrives at a sound conclusion, though some of the arguments advanced in its support are not fortunate; especially where based on the theory that labourers cannot set to work unless there is capital to support them. The expression "demand for labour" gives rise to misunderstanding.

There is only one real demand for labour and that is the demand which in the nature of things exists within the labourer himself, and which arises from his desire for food, clothing, shelter, &c. He works because he wishes to get these things and in his own requirements creates the demand for his own labour. The "demand for labour" does not necessarily imply the existence of more than one human being, so that to ensure labour we need not pre-suppose any demand at all in the sense in which that word is commonly used, *i.e.*, the demand coming from one man and the labour from another. In the case of men living isolated lives, like Robinson Crusoe, labour would clearly go on without any demand for commodities or labour as the word is commonly understood, for demand in that sense would not exist and yet neither commodities nor labour would be lacking. Each man would supply his own labour and his own commodities. The same is really true when men live in communities and exchange their services and commodities. The motive of each man in working is to supply his own wants and not those of other people who are supposed to "demand" his labour. All desire food, clothing and shelter, but when, say, three of them specialise and become respectively farmer, tailor and builder, exchanging the products of their work ("demanding" each other's commodities) it would not be true to say that the farmer tills the land because the tailor and the builder want to buy his corn, that the tailor makes clothes because the farmer and the builder want coats, or that the builder builds houses because the farmer and the tailor want shelter. In reality they each of them labour at their special calling because one and all want food, clothing and shelter for themselves, and they specialise simply because by so doing each man can get more of the three things. Were any of them to change their demand it would not mean either an increase or decrease in the amount of labour, but only a diversion of labour from one thing to another. Should the farmer one day prefer a carpet to a coat, we can well imagine the tailor putting in part of his time carpet making. But the change would not affect the amount of labour in demand—it would only affect the kind of work done. The demand for commodities, therefore, determines what kinds of things shall be produced, but not the amount of labour. What does determine the amount of labour is the intensity of the labourer's own desires for things that he wants and the extent to which he enjoys freedom of access to the means of producing them—the land.

W. R. L.

One cannot hold another down in the ditch without staying in the ditch with him; in helping the man who is down to rise, the man who is up is freeing himself from a burden that would else drag him down. For the man who is down there is always something to hope for, always something to be gained.—BOOKER WASHINGTON.

PARLIAMENTARY DEBATES

FINANCIAL STATEMENT

Committee of Ways and Means

(4th April, 1916)

THE CHANCELLOR OF THE EXCHEQUER (Mr. McKenna): Last September I estimated the expenditure for the year at £1,590,000,000. The actual expenditure has amounted to £1,559,000,000, or £31,000,000 less than the Estimate. Let me say that the Estimate of expenditure on our own services has proved substantially accurate. On the other hand, I estimated last September that advances to the Allies and Dominions would amount to the sum of £423,000,000, of which £354,500,000 were for the Allies, and £68,500,000 for the Dominions. The actual net issues from the Vote of Credit for the Allies have been £264,000,000 and to the Dominions £52,000,000, showing a saving to the Exchequer as compared with the Estimate of £107,000,000. The total financial assistance received by the Allies amounted to about £313,000,000 as compared with my estimate of £354,500,000. The difference between the Estimate and the actual expenditure is almost entirely due to delays in the dates at which various payments have fallen due—delays upon which it would not have been prudent to rely in estimating last September.

I return now to the account of last year's expenditure. I have already stated that the expenditure on our own services has been approximately near the Estimate, but that there has been a saving of £107,000,000 under the head of advances to Allies and Dominions. The total net saving, however, is only £31,000,000. What has become of the balance? In pursuance of the Treasury scheme for the purchase of American securities—a scheme with which the Committee is already familiar—we have bought and paid for a very considerable amount. Out of the funds rendered available by the re-sale of those securities in America, we meet the Government liabilities on American contracts from time to time as they fall due, and we have also built up a large reserve with which to meet our future needs. The purchase price of those securities is included in the account of last year's Expenditure, but the securities themselves, or the proceeds of their sale so far as they have not yet been expended, constitute a substantial asset in America with which we begin the current year.

REVENUE, 1915-16.

Passing now to the Revenue side of the account, the Estimate for 1915-16, made last September, was £305,000,000. This figure has been exceeded, as the Committee knows, by £32,000,000, and the actual Revenue realised has been £337,000,000. In introducing the Budget last September, I calculated upon a Revenue of £6,000,000 during the financial year from the Excess Profits Tax. Owing to the delay, however, in passing the Finance Bill through this House, the date upon which the Excess Profits Tax became operative was deferred, with the effect that the anticipated revenue, with the exception of a trifle of £140,000, was not collected and has been thrown forward into the present year. On the other hand, there have been forestalments of revenue properly belonging to the current year amounting to £7,000,000. If one item be set against the other, it will be seen that the true increase in the Revenue is not £32,000,000, but £31,000,000.

BALANCE SHEET, 1915-16.

With an expenditure of £1,559,000,000 and a Revenue of £337,000,000, the deficit amounts to £1,222,000,000. It has been made good by borrowing. Six hundred millions, approximately, was raised by the War Loan issued last June, £154,000,000 has been obtained by the sale of Exchequer Bonds, £50,000,000 was raised by the Anglo-French Loan in America, and the balance has been obtained by the sale of three, six, nine and twelve months' Treasury Bills.

INCREASE IN NATIONAL DEBT, 1915-16.

How, then, did we stand at the close of the last financial year as regards Debt? We had a pre-War Debt of £651,000,000. In 1914-15 we incurred a further Debt of

£458,000,000 to make good the deficit of that year and to provide a margin for the ensuing year. In 1915-16, that is, the year which has just concluded, the addition to our Debt was £1,031,000,000, after allowing for the effect of conversion. On the 31st March last, our total indebtedness stood at £2,140,000,000. Gigantic as that total may be, we must not forget that nothing like the whole of it will fall as a permanent dead-weight upon the finances of this country. £368,000,000 have been advanced to our Allies and Dominions, and relief will come to us in the future in respect of that part of our total Debt. But for the time being we are responsible, and we have to find the whole of the Debt charge, which in the year just expired amounted to £60,000,000, and in a full year of Debt charge would amount to £95,000,000.

EXPENDITURE, 1916-17.

I pass now from the record of the last financial year to an account of the year that lies before us—a subject which, on the whole, is more interesting. Turning first to expenditure, we are confronted with an inevitable increase even upon the great total which we had to face last year. Our war services, which include the Navy, the Army, and the Ministry of Munitions, account for £1,120,000,000. To this sum I must add £30,000,000, miscellaneous expenditure out of the Vote of Credit, which brings our own direct expenditure upon the War to £1,150,000,000, or over £3,000,000 a day. The advances to Allies and Dominions I have put at £450,000,000—a sum which in any war but this would be regarded as a fabulous expenditure upon the whole War service. Consolidated Fund Services, including the payment of interest on debt, I put at £138,500,000. Civil Services and Customs and Excise and Inland Revenue Departments are put at £60,000,000, and the Post Office at £27,000,000. The total of all these items that I have given to the Committee in bulk is £1,825,500,000, which is almost exactly £5,000,000 a day. If the advances to Allies and Dominions be deducted from the total, there remains a sum of £1,375,000,000 as the expenditure on our own services—war and peace—that is to say, an expenditure of just over £3,750,000 a day, which is approximately the rate of expenditure on these services at the present moment.

REVENUE, 1916-17.

I state now the total estimated revenue for the year, which I put at £509,000,000, including Excess Profits Tax. This figure includes £7,000,000 of forestalments to which I have already referred, leaving a net revenue of £502,000,000. Of this amount the Excess Profits Tax—under which head I include the Munitions Levy paid by controlled establishments—accounts for £86,000,000, the revenue from other taxation of a more permanent kind being £423,000,000. The total expenditure of £1,825,000,000 and the net revenue of £502,000,000 leave a deficit of £1,323,000,000, which will have to be made good by borrowing. Reckoning the interest charged at 5 per cent. and the sinking fund at 1 per cent.—a Sinking Fund which will pay off the debt at that rate of interest in thirty-seven years—I have to meet a new charge for interest and Sinking Fund amounting to £79,000,000. I have put the Revenue outside the Excess Profits Tax at £423,000,000, and the realised Revenue for last year, which included only £140,000 for the Excess Profits Tax, amounted to £330,000,000 without forestalments. There is a difference between the two of £93,000,000, which represents the true increase of permanent revenue for the present year as compared with last year. The Committee will see that this amount is far more than sufficient to cover the charge for interest and sinking fund on the sum which will have to be borrowed in the course of the year, and we shall therefore have made ample provision by the new taxation imposed now and last September for all fresh liabilities which may be incurred up to the 31st March, 1917, together with an ample margin.

NEW TAXATION.

The objects which I have to keep in view are, first and foremost, to obtain sufficient revenue to enable us to meet our obligations; secondly, to pay as large a proportion as possible of the cost of the War; and thirdly, to distribute fairly the burden of taxation over the whole community. When we raise the Income Tax, the charge has to be equal

upon all persons of equal income, subject only to such recognised allowances as the allowance for children—an allowance which is of universal application. When we levy taxes in respect of commodities, the tax has to be borne by the consumer of the commodity, however rich or however poor he may be. We must never forget how hardly these equal charges may press upon one man as compared with another according to their other liabilities and obligations.

INCOME TAX.

In the first place, I propose an addition to the Income Tax, which in the lower level of incomes will be quite small, but will rise to 1s. 6d., bringing the maximum rate of tax to 5s. in the £. We propose that earned income up to £500 a year shall in future pay 2s. 3d. in the £ instead of 2s. 1½d. as now. The next step on earned incomes is between £500 and £1,000 a year, when the rate rises from the present scale of 2s. 1½d. to 2s. 6d. By successive stages the scale is carried up to 5s. in the £1, which will be paid on earned incomes where the total incomes exceed £2,500 a year. On unearned income the new scale will begin at 3s. on incomes not exceeding £300, and will rise by stages of 6d. to 5s., which will be paid on incomes exceeding £2,000. All these charges are, of course, subject to the existing statutory abatements and allowances. On unearned incomes the nominal rate throughout will be 5s. in the £, and that will be the rate collected at the source. A large proportion of the recipients of unearned incomes are persons who are also in receipt of earned income, and who, therefore, pay Income Tax by direct assessment as well as by deduction at the source. Wherever possible the allowance on the unearned income will be made by adjustment in the assessment in respect of earned income. The number of additional claims therefore for repayment of Income Tax paid in excess of the amount to which the subject is liable is not expected in a normal year to be large. Such is the growth in the national income subject to Income Tax, extended now as the liability is to everyone who earns over £2 10s. a week, that this increase in the rate of the tax is estimated to produce £43,500,000.

I do not propose any change in the rate of Super-tax. The reason, on reflection, will become quite obvious. It will be observed that the increase in the Income Tax is graduated in such a way as to fall heavily on the incomes now subject to Super-tax, and I have thought this the better way to lay them under special contribution.

Two points in connection with the Income Tax proposals must be mentioned. There is the question which is known as the Double Income Tax question, a matter which affects those who pay Income Tax on the same income in our Dominions and here. The subject is one which will have to be dealt with in the promised reconstitution of our Income Tax laws, but I have felt that for the present the utmost that I can do is to leave the matter where it stands now, and content myself, where the Dominion tax is not less than 1s. 6d., with not imposing any fresh burden on such persons, who will be entitled to claim repayment of the additional rate now imposed.

I propose also to leave another vexed question where it now stands. I propose that income received as pay for service in His Majesty's naval and military forces shall not be subject to the additional rates of tax.

AMUSEMENTS.

The next proposals which I have to lay before the Committee are those which come under the head of Customs and Excise, and which are estimated to bring in a revenue of £21,800,000, not allowing for forestalments of £3,000,000.

The first is a tax on all tickets for entrance fees charged for amusements, such as theatres, cinemas, football matches, horse races, and other similar shows. The great source of revenue from this tax will be the cinema picture palaces. I hesitate to name my estimate of the number of visitors to these shows in the course of a year. It reaches many hundreds of millions, and it would seem as if a large proportion of the inhabitants of our country, of both sexes and of all ages, visit picture palaces at least once a week. The scale of the tax is graduated in a few steps, according to the cost of entrance. Where the entrance fee is 2d. and under, I propose a tax of ½d. The scale will then rise

by steps up to 1s. on 12s. 6d., with an additional 1s. for every additional 10s. or part of 10s. The total revenue from this source is estimated at £5,000,000, but the materials on which to found the estimate are not very precise, and I would not be surprised if the estimate proved to be incorrect.

RAILWAY TICKETS.

Then I propose, though I admit with some reluctance, a tax upon railway tickets. Short journeys, which in the great bulk of cases are only taken for the purpose of travelling to and from home and the workplace, are left untouched. I propose no tax on a journey which costs 9d. or less, but on all journeys from 9½d. to 1s. I propose a tax of 1d., and an additional 1d. for every 1s. or part of 1s. over the first. The yield from this source is expected to amount to £3,000,000.

SUGAR.

Next I ask the Committee to assent to an additional duty of ½d. in the pound on sugar. We are now selling sugar wholesale in bond at just over 2½d. a pound. In New York the price is just under 3d. It is cheaper here than there. That is to say, the price here is lower than in New York, without allowing any charge for freight, insurance and handling, which, in the ordinary way of trade, would now be approximately 1d. a pound. We cannot continue to sell sugar at this cheap rate in comparison with the world's price, and we therefore propose to add ½d. to the price, which we take in the form of duty. The estimated yield from this source is £7,000,000.

COCOA, COFFEE AND CHICORY.

Other familiar subjects of taxation and discussion are cocoa, coffee and chicory, which I also propose should bear higher duties in order to bring the charge upon them into better relation with the charge upon tea. The rate on cocoa is raised from 1½d. to 6d. per lb., and on coffee and chicory from 3d. to 6d. a pound. The total estimated yield is £2,000,000—£1,650,000 from cocoa and £350,000 from coffee and chicory. But in the present year the forestalments will reduce this by about £350,000.

MATCHES.

Undaunted by the example of Mr. Lowe, I ask the Committee to assent to a duty on matches—

Mr. W. THORNE: Burn your fingers!

Mr. McKENNA: This ought to bring in as much as £2,000,000. The suggested rate is 3s. 6d. Customs Duty and 3s. 4d. Excise Duty for every 10,000 matches, or a governing duty of 4d. per 1,000.

MINERAL WATERS.

Mineral waters are my next subject. I have sought an easy and a practicable method of roughly differentiating between the cheaper and the more expensive kinds. I propose, therefore, to charge 4d. a gallon on table waters prepared with sugar, or fermented, and 8d. a gallon on all others. Cider and perry will share the fate of mineral waters, and also bear a charge of 4d. a gallon. The anticipated revenue from these sources is £2,000,000.

MOTOR CARS AND MOTOR CYCLES.

The next item which I bring before the Committee is an increase in the Licence Duty on motor cars and motor cycles. As the Committee know, the scale in the case of motor cars at present ranges from £2 2s. up to £42, and on motor cycles there is a uniform charge of £1. I propose now a new scale which may be shortly summarised. The duty on cars not exceeding 16-horse-power will be doubled, and on higher-powered cars trebled. I am sure that nobody will object to this. On motor cycles not exceeding 4-horse-power the duty will be £2 2s., and above 4-horse-power it will be three-fourths of the duty chargeable on motor cars of like horse-power. The revenue from these sources is estimated for this year at £800,000. Ordinary bicycles are not affected.

INCREASED REVENUE FROM NEW TAXES.

The total of Customs and Excise Duties from all the new sources which I have named will amount in 1916-17, allowing for forestalments, to £21,450,000. If the Committee will add this amount to the £43,500,000 which is estimated to be obtained from Income Tax, we have a total of new taxation amounting to £64,950,000, or practically £65,000,000. This sum does not, however, represent the total increase for the year, even leaving the Excess Profits Tax out of the calculation. As I have explained earlier, the difference between the true revenues of the two years is £93,000,000, the excess over the £65,000,000 just mentioned being mainly due to the fact that last year the increase of taxation did not take place until September, and consequently in the case of nearly all the new taxes there was a run of only six months; the true increase for the present year over last year, without taking into account the Excess Profits Tax or the Munitions Levy, stands therefore at £93,000,000.

EXCESS PROFITS TAX.

I now turn to the Excess Profits Tax. After very considerable discussion in Committee, this House assented to the proposal last year that 50 per cent. of the profits made, in excess of profits determinable by a datum line, should be paid to the Exchequer. I have come to the conclusion that I might properly submit to the Committee a proposal to increase the Excess Profits Tax to 60 per cent. The total effect of this increase, coupled with the full new charge for Income Tax and Super-Tax, in the case of those very rich persons who have made exceptional fortunes, and whose cases are always mentioned by way of illustration in discussing this question, will be that they will pay in taxation—in Excess Profits Tax, Income Tax and Super-tax together—no less than 77 per cent. out of their excess profits. I do not think that it would be safe, having regard to the other considerations to which I have referred, to take a much larger proportion of excess profits by way of taxation than 77 per cent.

It will be noticed that I have said nothing about the renewal of the duties imposed for the first time in the Finance Bill of last September, including the additional duties on tea and tobacco, all of which expire on the 1st August next. I have, however, estimated on the assumption that these duties will continue for the whole of the present year, and it will be necessary therefore to have a second Budget before the 31st of July. It remains to be seen whether the Committee should then be invited to assent to new taxation, but, in any case, renewal of the old taxes must be sought.

I have made no fresh attempt to prevent the consumption of imported luxuries by means of Customs Duties. We have come to the conclusion, as the result of the experience which we have already gained, that the best method of dealing with this problem is by the growing scheme of prohibition which is being applied by the Board of Trade. The Committee will have noticed that I have not so much as discussed the question whether fiscal duties might now be properly used for controlling and directing trade in a way advantageous to ourselves and injurious to our enemies. My colleagues and I are all satisfied that any attempt in this direction would be met by the insuperable preliminary difficulty that the necessary men and machinery could not be found at the present time to give effect to any large new proposals. We are not alone in this difficulty. I am informed that in France, for similar reasons, an Income Tax, although strongly advocated, has proved impracticable up to now.

SUMMARY OF FINANCIAL SITUATION.

Let me now sum up the situation in which we shall find ourselves, if our present Estimates are realised, at the close of the financial year. Our total true revenue is put at £509,000,000. Of this sum £86,000,000 is attributed to the Excess Profits Tax, which can only be temporary in character, and our permanent revenue is, therefore, £423,000,000. Our total indebtedness will then be £3,440,000,000, of which £800,000,000 is attributable to advances to the Allies and our Dominions. The net debt will therefore be £2,640,000,000 on the 31st March, 1917, and the debt charge, allowing for a very substantial sinking fund, may

be put at £145,000,000. Our expenditure in the last full year of peace, excluding the debt charge, was £173,000,000. If we assume the same scale of expenditure after the War on our ordinary services, and add the new charge for debt services, we shall have to meet a total expenditure under these heads of £318,000,000. I am speaking now of peace expenditure, after the War, in relation to our position as it will stand on the 31st March, 1917. There will be a new charge for pensions, for which I make a provisional estimate of £20,000,000, bringing our post-war expenditure, on the assumption that the War lasts another year, up to £338,000,000. I have given our Revenue of a possibly permanent nature as £423,000,000, which leaves a surplus on the basis of peace expenditure, after another year of War, and all its expenses, of £85,000,000. I give these figures under great reserve: many of the factors cannot be definitely estimated; but I think the figures are enough to show that by the present scale of taxation we are making ample provision for the service of the War, and that when peace comes we shall have a considerable margin for the remission of taxation.

Mr. DUNDAS WHITE: I should like to join in the congratulations to the Chancellor of the Exchequer on the clear way in which he has unfolded what is an unparalleled Budget in amount, and because of the conditions. He certainly casts his net very wide when he includes matches and mineral waters and various other matters of that character.

I would say for those with whom I have the honour of acting and myself that we desire to express our profound disappointment that at a time like this particularly the Chancellor has not seen his way to take any steps to secure that those who hold the natural resources of the country should be called upon to make a special contribution to their defence. That is the position that we have put forward before, and that I would put forward now again. The ground for it is simply this, that the land of the country is the gift of nature, that the people have certain rights to it, and that the value which attaches to it owing to the presence of the people, is a fit and proper subject for taxation, particularly at this time. The Chancellor is seeking to meet the cost of the War by taxing various things. We suggest that the value of the land itself is the best of all things to tax. It would give a source of revenue which is not taxed as it ought to be, and by making people pay according to the value of the land, whether they used it or not, would make the land more available than it is and open up the resources of the country, and go a long way towards facilitating the making of proper provision for those who would labour under economic difficulties which would arise at the close of the War. In not one of the taxes which he has put forward do I see any prospect of economic reform. They may bring in revenue, but they do not seem to prepare the way towards improving the conditions which we will have to meet as soon as the temporary prosperity which we are passing through disappears. I venture to submit to the right hon. Gentleman that when he next comes to consider questions of finance he should bear those things in mind and take some steps in that direction. I would remind him, too, that a good many people have suffered in other ways. The right hon. Member for Blackfriars (Mr. Barnes) spoke of the decline in the value of investments, and particularly of small investments. Speaking generally, the value of investments made before the War has undergone a steady decline. The rise in the rate of interest means, of course, a decline in the value of capital. A very large number of people who have put their small savings into those investments find that simply owing to the economic effects of the War the capital value of their savings has been going down, down, down. Has the capital value of the land been going down? No, it is practically the same as it ever was. After all, no Zeppelin or no bomb has ever destroyed one acre of land, and there can be no doubt that the value of the land is keeping up and will keep up, and that those who hold the land and have mortgages secured on land are in as good a position as ever.

I put it to the Chancellor on these grounds, that this is a class of taxation which should specially appeal to him on the ground of justice. I know it may be said that the increased Income Tax and the Income Tax under Schedule A falls on land. The answer to that is, that it not only falls on land, but on land and houses and other matters. The

fundamental defect of the taxation of landed property under Schedule A is that the property is taxed, not according to the market value, but according to the value of the use that is being made of it. The more the property is improved and the more the value the heavier is the tax, and the less it is used the less it is taxed. However valuable it may be, if it is not being used at all, and is being kept back from use, it practically goes untaxed altogether. That seems to me a very undesirable state of things. On the occasion of the last Budget I protested against the effect of the increase of the Income Tax under Schedule A, in so far as it affected building. It has had a most disastrous effect on building so far, and now what I may call the normal tax, as it will be for some time, of 5s. in the £ will have the effect that I, for one, do not see how building is ever to recuperate and houses to be put up in the way they ought to be to supply the needs of the people. I do put it to the Chancellor that the increase of Income Tax, as it affects house property and checks building, is a very serious matter, and I would like him to consider it if he will be only good enough to do so.

I was surprised to learn that even matches came within the scope of the new taxation. To leave out those fundamental matters to which I have referred and to fall back upon things like matches seems again reactionary. There is one feature about it with which I am not so dissatisfied, namely, that while there is to be a Customs Duty of 3s. 6d. per 10,000, there is also to be an Excise Duty of 3s. 4d. per 10,000, and so, undesirable as it may be, it seems to go upon the principle that the Customs Duty and the Excise Duty should be so calculated as to balance one another. I am very pleased that that should be so in this and in other matters of the Budget, because it would be very undesirable if at this time in imposing extra burdens we put on burdens which instead of going into the Exchequer would go into private pockets. All the burdens, direct or indirect, ought as far as possible, particularly in this time of need, to go not into any private pocket, but into the Exchequer for the good of the country as a whole. In conclusion, I again express my profound regret that the right hon. Gentleman has not seen his way to inaugurate or at least to lay the basis of a system which would give effect to the principle that those who for practical purposes are the owners of the land ought to be called upon to make a special contribution at this time towards the defence of the land which they have.

Mr. OUTHWAITE: The Chancellor of the Exchequer in his statement to-day gave us two sets of figures. In the first place he told us that at the end of this financial year we shall increase the indebtedness of the country to £3,340,000,000, and that if we wrote off the £800,000,000 of loans to our Allies and Dominions, and take into account the £650,000,000 of the pre-war debt, we are left with a debt due to the present hostilities of something like £3,000,000,000. That is a gigantic sum for us to be passing down to posterity to pay. At the same time that the right hon. Gentleman indicated this vast turnover to future generations he told us that he estimated he would receive from the Excess Profits Tax this year a sum of £86,000,000. When we consider that only 60 per cent. of the excess profits are taken, it shows that during this time of war some people are making enormous profits out of the War. It seems to me most unjust that during the War gigantic profits are being made, while at the same time we should be so levying taxation and so allowing profit to escape as to burden the future with this enormous debt.

At the same time we see that whilst we are leaving so much to be financed by way of loan, when the Chancellor of the Exchequer goes to borrow money for the purpose of the War, instead of getting it by the same security as in former days, at 3 or 3½ per cent., he has to pay 5 per cent. to the lender. If you increase the interest payable to the borrower from 3 to 5 per cent. it seems to me that the lender, even with the increased Income Tax levied upon his return, will be in a better position than he was when he was lending his money at 3 per cent. and paying a lower tax upon the income. We are here again confronted with the fact that another great section of the community, those who happen to be in the fortunate position of having capital to lend, are making riches out of it. It seems to me that capital at the present time, owing to the demands of the State, has become virtually a monopoly. When the Chancellor of the Exchequer goes to the City for his great

loans he has to pay a monopoly price for them. Out of these two considerations great profit is being made at the present time in the processes of the War, in the supply of the necessities for the War, and in the increased returns on capital lent to the State. When you take these two facts into consideration it seems to me that the Chancellor of the Exchequer should have gone far further than he has in this Budget in levying taxation to meet the cost of the War. I think it is unjust, while this vast expenditure is being made, not to levy far greater taxation instead of leaving it for future imposition. Because to-day, with these vast expenditures, great profits are being made which will not be in existence when peace comes. We have to look forward to a time of great depression and stagnant trade, when a great many people will try to escape that taxation that will have to be levied.

Whatever is felt in this House, outside there will be a great number of people who will be surprised that at this time of great difficulty and need for revenue no direct levy has been laid upon land. Here is the subject which surely of all others should first have been called upon for contribution. If we are told that this War is a war of defence of the land, surely that is the first subject that should be called upon to contribute. When a man comes before the local tribunal objecting on conscientious grounds to military service the first question put to him by the military representative is, Are we not fighting for the defence of your country, your hearth and home? And despite of everything he says he is forced in most cases to go and to do so at a shilling a day. Why should not the owner of the land which these men are called upon to defend be asked to make a special contribution to the State to pay for its defence? The Chancellor of the Exchequer doubtless will say that there is a difficulty as regards machinery, that no valuation is in existence. But that can very easily be remedied. Many millions have been spent on valuation, largely wasted, but there is an easy efficacious way of achieving the valuation. That is by calling on landowners to provide it themselves. And at a time like this, when great patriotic sacrifices are being made, surely it is not too much to call upon the landowners of this country to provide the State with a true and proper valuation of the land. If the Chancellor of the Exchequer sees any difficulty in this matter, if he wants any guidance in the matter of achieving rapidly the compulsory valuation of the land of the United Kingdom, he has only to consult with the Prime Minister of Australia, who is at present in this country and who achieved by way of compulsory valuation the valuation of the land of the Commonwealth of Australia in a few weeks.

I would urge that, in view of the enormous burdens that this Budget shows, we are casting upon future generations what they will be less able to bear than the present generation, and I think that a heavier levy of taxation should have been made. The taxation we have here to-day carries with it revolutionary changes in our financial and social system, and I am sorry, therefore, that the Chancellor of the Exchequer has not gone further in taxing privileged people who are making money out of the War and out of the land monopoly of this country.

ARGENTINA.

The town of Jujuy, capital of the province of that name, has on the initiative of the Mayor, Senor Martearena, abolished a number of taxes and licences falling on articles of common consumption and on industry, and has replaced them by a tax on land values at the rate of 6 per thousand.

A special double number of the REVIEW OF ECONOMIC SCIENCE (Revista de Ciencias Económicas) published at Buenos Aires has just been issued which is devoted entirely to the taxation of land values. We hope to give an extensive notice of this remarkable document next month.

We have also received a copy of an excellent monthly Single Tax journal called EL GEORGISTA, which is published at Realicó.

NEWS OF THE MOVEMENT

CONFERENCE TO PROMOTE THE TAXATION OF LAND VALUES

To be held in London on Saturday,
May 27th, 1916

In view of the enormous public expenditure on the war and the urgency of raising the necessary revenue in a fashion which will not put an unfair burden on the poor, nor obstruct industry, the United Committee for the Taxation of Land Values has decided to convene a Conference on the Taxation of Land Values to be held in Essex Hall, Essex Street, Strand, London, on May 27th. The proceedings will commence at 3.30 p.m. The speakers will include: Messrs. J. Dundas White, LL.D., M.P., George Lansbury, P. Wilson Raffan, M.P., R. L. Outhwaite, M.P., and Henry George Chancellor, M.P.

The usual notice and invitation to the Conference will be sent to our readers.

The co-operation of Trade Unions, Co-operative Societies and other kindred organisations has been invited. Readers of this announcement are cordially invited to be present. Tickets for the Conference may be obtained on application to the Secretary, The United Committee for the Taxation of Land Values, 11, Tothill Street, London, S.W.

RESOLUTIONS TO BE SUBMITTED.

The following resolutions will be submitted to the Conference:—

(1) That this Conference condemns the increase in the taxation of food and the adoption of petty and harassing taxes on trade and industry; declares that those who hold the land should be required to make a special contribution towards its defence; calls upon the Government to impose a direct tax on land values, and affirms that such a tax, besides providing revenue, would open up the land to the people and promote production, which, together with free trade, would prevent the unemployment which threatens at the close of the war.

(2) That this Conference calls on the Government to continue to resist the endeavour of representatives of land monopoly in both Houses of Parliament to abolish the Land Valuation Department; and affirms that, in order to secure an up-to-date basis for a national tax on land values as expeditiously and economically as possible, owners of land should be required to furnish a declaration of the present value and character of their holdings.

MANCHESTER LEAGUE

5, Cross Street, Manchester.

Mr. E. M. Ginders addressed a meeting at the Manchester County Forum on April 9th and another under the auspices of the Bolton I.L.P. on April 13th, and at the weekly meeting of the Newton Heath Boilermakers' Society on March 26th. Mr. J. F. Kilgarry was the speaker.

It has been decided to follow the League's usual custom by holding open-air meetings during the coming season, but owing to the absence of many who shared in this work in previous years the number of such meetings may be

smaller this year. Under the exceptional circumstances—fewer workers and greater need for our efforts—an appeal is made to the League's supporters to help to make this campaign successful by attending the meetings and bringing their unconverted friends. The first meeting will probably be held on a Sunday afternoon in May and will be advertised in the Saturday evening (Manchester) newspapers. Subsequent meetings may not be advertised, but the Secretary will gladly notify those who are willing to attend when possible.

Arrangements are in hand for holding a Conference in Manchester, to which delegates from Trade Unions and other democratic bodies will be invited. The meeting will probably take place on a Saturday afternoon in May, and it is hoped that Mr. R. L. Outhwaite, M.P., will be able to move a resolution. Particulars will be given and tickets supplied on application being made to the Secretary.

At a well-attended meeting of the United Board of the Co-operative Union, held in Manchester on March 18th, the following resolution, sent in by the Liverpool, Failsworth, and other Societies for discussion at the Co-operative Congress in June, was moved by Mr. Pollitt and accepted:—

That this Congress, in view of the enormous expenditure now being incurred in the prosecution of the war, and of the abnormal increase in the cost of living, which falls most heavily upon the poorer classes, and of the likelihood of further increased taxation of industry raising still higher the price of commodities, and of the urgent necessity for increasing the home production of food, timber, minerals, &c., urges the Government: (1) to bring forward proposals for the taxation of land values, and where communal improvements have increased the value of land, for the securing of such increase for local or national services; (2) to bring forward and to pass through Parliament legislation giving the Board of Agriculture or some other State department power to assume control of all land the resources of which are at present being neglected, but which are capable of cultivation or immediate development; (3) to ascertain how many of the soldiers at present serving in the forces, and especially those drawn from agricultural districts, desire on demobilisation to cultivate a small holding, and upon such information to take the necessary steps for establishing an extended scheme of small holdings on national lines and under direct State control, the price to be paid for land taken for such scheme to be its value as ascertained for the purpose of the Finance Act, 1909.

Commenting on there being only one prisoner for trial on April 3rd, the Chairman of the Lancaster Quarter Sessions said there was a continued diminution in crime. Nothing like it had occurred before in his recollection of the county for over half a century. Also at the Cheshire Quarter Sessions on the same day there was only one case for trial, and the Chairman remarked that although he had attended the Sessions for 25 years he could not recollect another occasion on which there was only one prisoner. Mr. J. M. Yates, Chairman of the Salford Hundred Quarter Sessions, alluded to the greatly decreased number of prisoners on April 10th. He said: "It is very different from the days before the war. Everybody seems, I am glad to say, to have become better." Criminal statistics rise and fall as unemployment rises and falls, and there is, therefore, no ground for surprise at the diminution of crime referred to. Under present abnormal conditions the available supply of labour is scarcely equal to the demand, and even men with physical defects, which handicapped them in the scramble for jobs before the war, are now enjoying

unwonted prosperity. Experience shows that crime increases with hard times and diminishes with good times, but "good times" for all branches of industry will become the permanent condition when the power to create unemployment by withholding land from good use has been destroyed by the taxation of land values.

ARTHUR H. WELLER, Secretary.

MIDLAND LEAGUE

The Annual Meeting of the League was held on Thursday, April 13th, at the Birmingham Liberal Club when the chair was taken by the President, Mr. Joseph Dawson, J.P. Among other members and friends were: Messrs. Herbert New (Hon. Secretary), Edwin Price, B.A. (Hon. Treasurer), W. J. Short, E. J. Bagnall, J. Spencer Swann, Dr. Gisbert Kapp, Geo. Handley, J. N. Shaw, Mrs. Cooke, T. R. Stokes, F. T. Mitchell, E. Machin, C. W. Asbury, C. H. Tasker, F. Alexander, and Chapman Wright (Secretary).

Many apologies for non-attendance were received. Mr. George Cadbury wrote: "I regret not to be present at your Annual Meeting. Land valuation and taxation form one of the most pressing questions of the day and should be pushed forward." Among others who were unable to be present were: Messrs. John S. Nettlefold, J.P., T. E. Mitton, J.P., J. W. Madeley, J.P., T. Foster Duggan, J. Douglas Graham, W. Finmore, G. J. Hobbs, Percy Adams, H. L. Townend, A. W. Bowkett, Joseph Fairfax, H. J. Gristwood, G. Macdonald, John Dodson, and W. Pearsall.

The Hon. Secretary read the Annual Report which is printed below.

The Hon. Treasurer presented the Financial Report which showed the League to be in a satisfactory condition with a small deficit of £1 0s. 3d.

The two reports having been adopted, the Chairman explained his reasons for resigning the Presidency and moved that Mr. John S. Nettlefold, J.P., be the President of the League. This was seconded by Mr. Edwin Price, and was carried unanimously with the approval of all present.

The additional officers were elected as follows:— Vice-Presidents: Councillor Harrison Barrow, J.P., Geo. E. Brown, C.C., S. W. Challen, Joseph Dawson, J.P., J. Douglas Graham, F. Harper, J.P., Wilfrid Hill, Councillor Geo. Jackson, J.P., Geo. E. Lowe, J.P., Councillor C. Vernon Pugh, J.P., Alderman Geo. R. Thorne, M.P., T. F. Walker, J.P., Josiah C. Wedgwood, M.P. Hon. Secretary, Herbert New; Hon. Treasurer, Edwin Price, B.A.; Hon. Auditor, Gilbert Thompson.

The Management Committee was elected to consist of the President, Hon. Treasurer, Hon. Secretary, with Messrs. Joseph Dawson, J.P., Walter Priestman, J.P., C. W. Asbury, E. J. Bagnall, J. Caldwell, R. W. Dentith, F. T. Mitchell, E. E. Sheppard, G. Thompson, and Joseph Walker.

Mr. Dawson then spoke on "The Next Step in Land Valuation and Taxation," which is set forth in the pamphlet just published by the United Committee. It was quite fair to remark, he said, that many land reformers had experienced considerable disappointment at the apparent, or at any rate temporary, failure of the valuation which was set in action by the Finance Act, 1909-10. In those days they had large expectations of what would be the outcome of that valuation. Some of them ventured to dream of a kind of golden age in the course of five or six years. They seemed as far off that golden age as ever, very little had been accomplished compared with the ideas of that time. He was content to believe that the failure had been due to a number of causes which could not be avoided, and that in this, as in all other reforms, they had to exercise a great deal of patience. Certain land duties

had been substituted for a simple direct tax. There were too many exemptions and abatements. As a solution of the problem we must get a direct tax on land values. An immense revenue now escapes yet, with some adjustments to be left after the war, a tax could be levied and collected within twelve months. We must strive for its early attainment as the present taxes on industry had almost reached breaking point while the greatest monopoly of all escapes.

A hearty vote of thanks to the speaker, with many appreciations of the great services he had rendered to the League, brought the meeting to a close.

CHAPMAN WRIGHT, Secretary.

Annual Report, 1915-16

In presenting the Seventh Annual Report of the Midland Land Values League the Management Committee are pleased to state that the membership has suffered but slightly since the war began. Those who believe in our reform realise that, while the time may be inopportune for propaganda on any very extensive scale, there is yet scope for much educational work, and this has been carried on wherever possible. Meanwhile the organisation has been kept intact for the wider sphere of work which will, it is hoped, present itself in the near future.

On September 3rd, two delegates, Mr. G. Macdonald and the Secretary, attended a Conference at Glasgow, arranged by the United Committee in conjunction with the Glasgow League, to discuss what action, if any, could be taken to induce the Government to tax land values as a means of raising additional revenue and of securing more equitable conditions. As a result of this Conference the Executive of the League passed a resolution which received a wide circulation in the local press.

At the meetings of the British Association, held at Manchester, Mr. John S. Nettlefold and the Secretary attended the Economic Section on September 9th, and had opportunities of urging the advantages of our reform when dealing with the settlement of ex-service men on the land at the close of the war.

In November a circular letter was drafted by the Committee, in which it was pointed out that a tax on land values was long overdue and setting forth its justice and advantages. This circular, together with a leaflet dealing with increases in Birmingham land values, was posted to nearly 1,500 representatives and secretaries of important progressive and social societies in the City and Midlands. A number of appreciative replies resulted and the Secretary was able to explain the objects of the League to many Trade Union and other societies.

In addition to the steady circulation of LAND VALUES month by month, much literature issued by the United Committee and the League has been distributed and useful propaganda maintained. The statement just issued by the United Committee on "The Next Step in Land Valuation and Taxation" deserves careful study by every member, and we shall be glad to have their co-operation in securing this pamphlet a wide circulation.

With much regret the Committee have to announce that Mr. Joseph Dawson is now compelled to adhere to his resignation of the Presidency of the League, which was withdrawn a year ago at the earnest solicitation of the Committee. Since the formation of the League seven years ago, Mr. Dawson has been its President, and the Committee desire to place on record their great appreciation of the ability and earnestness which he has so freely shown at their many deliberations on the best methods of advancing the cause. Although, for reasons of health, Mr. Dawson is compelled to give up this office, we have his assurance that, as opportunity permits, he will still keep in touch with the work in Birmingham.

The United Committee have again dealt most generously with the League in regard to grants of money and literature.

For this support the Management Committee desire to tender their hearty thanks and, as a practical appreciation of this help from London, they urge on members the importance of increasing the circulation of LAND VALUES. This journal ought to be studied by all social reformers, not only for its clearly reasoned articles on political economy, but on account of the record it contains of the progress of our movement. If we are inclined to feel dissatisfaction at the apparently slow advance of land value taxation in this country, especially in the present stress of events, we see in LAND VALUES that considerable strides are being made in other nations, and we are encouraged by the knowledge that even the greatest of European catastrophes cannot stop the progress of the reform, without which as its basis, no Government can assure comfort and happiness among its people.

JOSEPH DAWSON, President.
EDWIN PRICE, Hon. Treasurer
HERBERT NEW, Hon. Secretary.
CHAPMAN WRIGHT, Secretary.

20, Cannon Street,
Birmingham.
April 13th, 1916.

THE ENGLISH LEAGUE

376 and 377, Strand, London, W.C.

The General Secretary lectured to the Bowes Park Women's Co-operative Guild on March 31st, on "Women's Interest in the Land Question." At a meeting of the Guild on April 7th, the following resolution was adopted, and has been sent to the local Members of Parliament:—

This meeting of the Bowes Park Women's Co-operative Guild, still of opinion that they who possess the land should pay for its defence, expresses its strong regret that taxation of land values has not been even mentioned in the present Budget. Land values offering the most just source of taxation, this meeting thinks it should have held first consideration in the framing of a War Budget.

The following meetings were arranged after the April issue of LAND VALUES had gone to press:—

- April 16.—Adult School, Park Street, Stoke Newington: J. W. Graham Peace, "Thy Kingdom Come."
" 16.—British Socialist Party, Hornsey Road: J. W. Graham Peace, "A Contrast in Labour Problems."
" 26.—Catford Co-operative Women's Guild: Fredk. Verinder, "Women's Interest in the Land Question."
" 27.—Kingston-on-Thames Branch, National Land and Home League: Fredk. Verinder.

The April Quarterly Meeting of the Central Council of the League was held in the Committee Room at headquarters on Monday, April 17th. Mr. W. R. Lester, M.A., Hon. Treasurer of the United Committee, opened a discussion on "The War: and How it Should be Paid for." The paper was followed with the closest interest by those present, and an interesting discussion on it was prolonged to a late hour.

The meetings of the Harlesden Branch will be continued during May, by kind invitation of Mr. and Mrs. McCulloch, at 89, Wrotesley Road, Furness Road, Harlesden.

The following meetings have been arranged for May:—

- Sun. 7.—Blackhorse Road (Wesleyan) P.S.A., Walthamstow: W. G. S. Coad. 3 p.m.
Mon. 15.—Anerley Congregational Church, Women's Meeting: J. W. Graham Peace, "Why are we Poor?" 3 p.m.
" 15.—Co-operative Hall, East Street, Bromley, Kent: J. W. Graham Peace, "Women's Interest in the Land Question." 7.45 p.m.

The attention of members of the League is specially called to the Conference to be held in Essex Hall on the afternoon of Saturday, May 27th. Full particulars will be found on another page of LAND VALUES.

A recent letter by the General Secretary to the DAILY

NEWS AND LEADER has brought about 150 inquiries for literature to the League Office. The letter appeared only in the Manchester edition of the paper.

FREDK. VERINDER, Gen. Secretary.

SCOTTISH LEAGUE

67, West Nile Street, Glasgow.

The Twenty-fifth Annual Meeting of the League was held in the Rooms, 67, West Nile Street, Glasgow, on Friday, 14th April, at 8 p.m. Apologies were received from Sir John M. McCallum, M.P., J. Dundas White, M.P., Ex-Bailie Burt., J.P., John Brunton (Musselburgh), and many others. Mr. Thomas Cameron occupied the chair, and there was a good attendance. Mr. Dundas White, in a letter of regret to Mr. Cameron at his inability to be present "owing to other duties," said: "May I ask you kindly to convey my hearty greetings to our friends, and to say how much I appreciate my name being coupled with yours and with that of Mr. Cassels in the recommendation as to office bearers. It is a pleasure to read in the notice of the meeting how well things have been kept going in Glasgow in this difficult time. There could not be a more appropriate statement and appeal."

The Annual Report and the financial statement were adopted. On the motion of Mr. John Gordon, J.P., Mr. Dundas White, Mr. David Cassels, and Mr. Thomas Cameron were elected as President, Hon. Treasurer, and Chairman of Executive Committee respectively. Thereafter the Vice-Presidents and Executive were elected.

On the motion of Mr. John Gordon, J.P., seconded by Mr. Thomas Cameron, a vote of condolence with the family of the late Sir George Green, was passed unanimously and the Secretary was instructed to forward it to Lieutenant Joseph Green, R.A.M.C., and through him to the other members of his family.

Sir George Green, whose death occurred on 8th April, had been intimately connected with the work of the League for nearly a quarter of a century, and his death will bring deep regret to Single Taxers everywhere. His lovable nature endeared him to all those who came in contact with him. When such a man dies, even when he has reached the allotted span, those who know him are reminded that usefulness and earnestness of purpose in furthering good causes, the causes that promote progress, and through progress civilisation, is the real and true test of greatness and it can be said that his life's work contributed much to advance real progress both social and political.

The Annual Meeting passed a special vote of thanks to Mr. John L. Carvel for his work in connection with the classes he has conducted during the past year at Dumbarton and Alexandria.

The Secretary addressed a meeting of the Alloa and District Trades Council on Saturday, 15th April. The resolutions to the Prime Minister, the Chancellor and the Member for the county (Mr. Eugene Wason) was passed unanimously.

An interesting letter comes from John Brunton of Musselburgh, one of the oldest supporters of the movement both here and in Australia. He says: "I shall not be present at the Annual Meeting of the League as I am not able to go far from home owing to the infirmities of old age, but I take as strong an interest as ever in the subject, and hope for a move in the right direction now that the Valuation Roll of Land Value is applicable to most of the land in Great Britain."

"I notice, however, that your funds are very low and you will require new subscriptions to meet expenses. I enclose herewith a cheque for five pounds and hope that others seeing your pressing need will increase your funds by liberal subscriptions." It is, indeed, to be hoped that others will emulate Mr. Brunton's good example.

JAMES BUSBY, Secretary.

Twenty-fifth Annual Report

The Executive at this Twenty-fifth Annual Meeting of the League have, even in these evil days in which all reforming organisations live, to report that the affairs of the League afford cause for satisfaction. The membership has fallen off, and the financial support also shows a tendency downward, not so much from falling off of membership as from a reduction in the amount of subscriptions. There is cause for satisfaction that the power and influence of the League to propagate the doctrines of Henry George has been, since its inception, steadily on the increase, and once things political regain something of their normal conditions our activity can be resumed. The United Committee has become the centre of the movement and tends to attract all kinds of support there. The Committee, however, supports and encourages the League in all its work. The meetings which the Executive decided to hold in the Rooms were all very successful and exceptionally well attended. These were reported in LAND VALUES each month. An interesting meeting was held in Reid's Tea Rooms on 22nd February at which Mr. J. Dundas White was inducted to the chair on the motion of Mr. David McLardy, seconded by Mr. McInnes. The most important meeting was the Conference held on 3rd and 4th September under the joint auspices of the League and the United Committee.

The Press propaganda has been practically at a standstill owing to the almost universal refusal of the Press to discuss the question through the medium of "Letters to the Editor." The circulation of literature has also been small. One outstanding feature of the year has been the classes conducted at Dumbarton and Alexandria by Mr. John L. Carvel. These classes have been kept going two nights each week from October, 1915, till March, 1916. They have been chiefly attended by university students employed in the munition works. Sixty-five copies of PROGRESS AND POVERTY have been sold and a great quantity of other literature distributed. The net result of this effort is quite a number of new recruits to the movement.

The Land Values Group have, in spite of the war, been able to do some useful work. The reports of the debates in Parliament, which LAND VALUES contains, show that much valuable work has been done in Parliament during the year to keep the tide of Tory reaction from overwhelming the work we have accomplished.

The report concluded with a summary of the progress made during the year in various British Colonies and abroad.

YORKSHIRE AND NORTHERN LEAGUE

71, North Street, Keighley.

On April 9th we held the last of our meetings for the session when Mr. J. W. Booth delivered a most lucid and clearly reasoned address on the subject of "Social Reform After the War." All who attended greatly enjoyed the address. Mr. Booth has a quiet, but very convincing manner, and is always particularly good in discussion. We are having many requests for literature, and considering the times we have had very good sales of books and pamphlets.

F. SKIRROW, Secretary.

UNITED COMMITTEE

During last month the following meetings were addressed by Mr. A. McLaren: Goldsmiths' University College, Southall Brotherhood, W. Hendon Branch of the Licensed Vehicle Workers' Union, Hackney Branch of the National Union of Railwaymen, and Surbiton I.L.P.

The following bodies have intimated that they have adopted our resolutions on the taxation of land values and forwarded them to the Government: Wealdstone, and Hornsey and Wood Green Branches of the National Union of Railwaymen, and Richmond I.L.P.

COLONIAL AND FOREIGN

PROGRESS IN THE TRANSVAAL

Local Rating on Land Values Adopted

An Ordinance of the Transvaal Provincial Council has just been passed and received the assent of the Union Government, compelling local authorities in the Transvaal to raise at least a part, and enabling them after two years' time to raise the whole, of the local rates from land value alone. The measure is one of the most radical that have been adopted in any part of the world.

It will be recalled that the taxation of land values has been endorsed by both the Unionist and the Labour Parties in the Transvaal, though the latter party has been much more vigorous in advocating the principle. The Labour Party secured a majority in the elections of February, 1914, and fulfilled their pledges to the electors by passing on 30th April, 1914, an Ordinance requiring local authorities to rate only on land values. The Ordinance was objected to by the Union Government because it not only compelled the local authorities to rate land values, but precluded them from rating anything else. On July 1st, 1914, the Labour Party passed an amended Ordinance, not compelling, but merely empowering the local authorities to rate land values specially. To this Ordinance also the Governor-General-in-Council refused to assent.

The Union Government has at last withdrawn its opposition and assented to an Ordinance introduced this year. The credit for all these efforts which have now been crowned with success must mainly be given to Mr. F. A. W. Lucas, the leader of the Labour Party in the Transvaal, who has always been a consistent and strenuous advocate of the taxation of land values.

The measure which has now been passed, entitled the "Local Authorities Rating Amendment Ordinance, 1916," while giving the local authorities a certain amount of discretion as to the basis of rating ensures that a substantial rate is levied on land values. "No rate shall be levied upon improvements until a rate of one penny in the pound on the [capital] site value of the land within the municipality as appearing in the valuation roll shall have been imposed." (This rate of 1d. in the £ is called the "original rate.") Any rate "which is levied in addition to the original rate shall be levied on the site value of the land." (Such a rate is called an "additional rate.") The local authority may determine "that a rate of an amount in the pound equal to or less than the additional rate shall be levied on the value of improvements." This is subject to four provisos: (1) where the rate which is levied on the value of improvements is equal to the additional rate that rate shall not exceed threepence in the pound; (2) where the rate so levied on improvements is less than the "additional rate" then the "additional rate" may be raised not higher than that rate in the pound which together with the rate on the value of improvements will produce a sum equal to the sum which would be produced by a rate of threepence in the pound on the value of land and the value of improvements taken together; (3) the additional rate shall in no case exceed sixpence in the pound; (4) until two years after the commencement of the Ordinance a rate of not less than half the additional rate shall be levied on improvements.

Within two months of the Ordinance taking effect the local authorities are to cause a revaluation to be made and any rate imposed after June 30th, 1916, is to be on the value ascertained at such revaluation. In the meantime the existing valuation roll may be taken as the basis. Site value of land is defined as "the capital sum which the land or interest in land might be expected to realise if offered

for sale on such reasonable conditions as a *bona fide* seller would require assuming that the improvements, if any, thereon or appertaining thereto made or acquired by the owner or his predecessors in title had not been made. The site value of land shall include any value due to any franchise licence privilege or concession attached to the site for the time being." The value of improvements in relation to land is defined as "the added value which the improvements give to the land at the date of valuation irrespective of the cost of the improvements."

In the case of land "bona fide and exclusively used as agricultural land" it is to be rated upon half its agricultural value. If in addition it has an excess value for any other purpose, it is to be rated on the full amount of such excess. This provision is the only notable blemish in the Ordinance and we may hope that Mr. Lucas and his colleagues will soon be successful in eliminating it.

The lessee is not liable for any rates payable in respect of the lessor's interest in the property. "Any provision in a contract existing at the date of the taking effect of this Ordinance or hereafter entered into whereby any person primarily liable for payment of any rates imposed pursuant to this Ordinance . . . seeks to render any person interested under or subsequent to himself as lessee of such rateable property . . . liable to pay such rates . . . in lieu or stead of himself shall be null and void."

It will be seen that this is a most radical and effective measure. It was strongly opposed by the great mining and land-holding companies, but was supported by the local authorities. The Johannesburg Town Council on March 7th passed by the large majority of 20 to 7 a resolution asking the Governor-General-in-Council to assent to the Ordinance.

UNITED STATES

A Bill to Relieve Unemployment has been introduced by Representative Crosser of Ohio and referred to the Committee on Public Lands. The main provisions of the Bill are to set up a National Colonisation Board, to empower this Board to select portions of the public domain for Colonies, to develop these lands and to charge the cost of development against the value of the land apart from improvements. The title to all lands retained or acquired for such Colonies shall remain in the United States Government, but the land may be leased for a term of years to private individuals.

The Bill is not in itself a very formidable attack on land monopoly, but it has served to draw attention to the land question. Mr. Frank P. Walsh, who was lately Chairman of the United States Commission on Industrial Relations, and who is now Chairman of the Committee on Industrial Relations, a propagandist body for urging the adoption of the recommendations of the Commission, has issued the following statement on the Crosser Bill:—

The Bill invokes and applies to the lands of the public domain the absolutely right doctrine that the title to land shall depend on its productive use.

The Crosser Bill is not only right in itself. It points the way that legislation should go to prevent speculation and private monopoly in natural resources. It recognises as far as it goes the inalienable right of the community to take for the welfare of all the values that the community creates; and it recognises the equality divine right of the producer and toiler to get and keep that wealth which his own labour has produced.

The most searching and widespread investigations of the United States Commission on Industrial Relations into the frightful and preventable evils of unemployment and tenant farming and the bad distribution of wealth make the following recommendations of the main or Manly report of the Commission unanswerable to all fair-minded men:—

1. The revision of the taxation system so as to exempt from taxation all improvements and tax unused land at its full rental value.

2. Vigorous and unrelenting prosecution to regain all land, water power and mineral rights secured from the Government by fraud.

3. A general revision of our land laws, so as to apply to all future land grants the doctrine of "superior use," as in the case of water rights in California, and provision for forfeiture in case of actual non-use.

We would go far toward the solution of our industrial problems if there were printed in letters of gold and hung in the Halls of Congress and in every legislative hall of our American Republic these words of Joseph Fels:—

I believe that all are violating the divine law who live in idleness on wealth produced by others, since they eat bread in the sweat of their brothers' brows.

I believe that involuntary poverty and involuntary idleness are unnatural and are due to the denial by some of the right of others to use freely the gifts of God to all.

Since labour products are needed to sustain life and since labour must be applied to land in order to produce, I believe that every child comes into life with divine permission to use land without the consent of any other child of God.

The enormous incomes and inheritances that imperil our Republic and the enormous power over others that go with these fortunes are based on the unnatural possession by a comparative few of our mines and our highways of commerce and of most of our city and of much of our richest farming lands.

The iniquitous mother of Poverty is Privilege. To abolish Poverty, Privilege must be killed. Power in the hands of the producers and toilers, through organisation and collective bargaining, is one necessary weapon with which to kill Privilege. Power in the hands of the people, through laying such burdens on Privilege that Privilege shall be abolished and be taken off of the back of labour, is the other necessary weapon for destroying it.

In the death of Sir George Green, which took place at his home at Partick, Glasgow, the Glasgow movement for the Taxation of Land Values has lost an ardent and faithful supporter. Born at Stockport in 1843, Sir George began work in a cotton mill at eight years of age. Later he found employment in the Prudential Assurance Company, and it was as Inspector for Scotland of the Company that he settled in Glasgow some 27 years ago. Three years ago, in our issue of May, 1913, we put on record a sketch of his labours as a politician, a municipal administrator and advocate of the policy we seek to promote. As a representative Liberal he claimed for the taxation of land values a foremost place in the programme of the party. He was a vice-president of the Scottish League, and though engaged in public work and busy with very many social and philanthropic agencies, he was ever ready and eager to uphold the League and to render it service. He took no part in the management of the League's affairs, and never sought in any way to interfere with, or influence its decisions. If there were gathering clouds and the outlook became not too promising, he was always at hand, eager to know how he could help. He attached considerable value to LAND VALUES, as the special missionary and messenger of the movement, and did all he could to further a knowledge of it years ago, when the journal had fewer friends than it has to-day.

The GLASGOW HERALD, in its obituary notice of Sir George, said: "He was a man of high personal character, genial in disposition, and in public and private life was held in esteem." This tribute to the man is his due from friend and foe alike. The memory of his public spirited and strenuous life will long remain an example and an encouragement to all who knew him and worked with him in the cause of humanity and social progress. We join with our colleagues in sincerest sympathy with Lieutenant Joseph Green and the members of his family in their great loss.

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