

LAND & LIBERTY

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WHY LIBERTY?—Address by Wilfrid Harrison

SPEAKING AT the Public Demonstration in the Livingstone Hall, Westminster, February 28, organised by the Liberal Liberty League, Mr. Wilfrid Harrison said:

"Everywhere we see governments misusing their power. They are acting either in defiance of or in ignorance of the real nature of this Universe, and of the laws which the Universe itself conforms to. Let us make no mistake. When man defiantly or ignorantly flouts Nature then it is man who is smashed and not Nature. That is the grim truth.

"If our statesmen either through ignorance or impudence continue to ignore the fact that this world conforms to law, both moral and material, then we are in for a smashing of the gravest kind. The world to-day is shuddering with the strains and tensions such policies and actions have created. The political structures man has erected regardless of natural law will be tested before long whether they are built upon rock or upon sand.

"Everywhere men are looking for sincerity and intelligence in politics, for some political body which places first importance upon truth and principles. For ourselves, we have published a Declaration of Principle in which we have endeavoured to state the great basic truths of life and upon them we formulate a political 'Programme for Free Men' to be advanced with such measure of loyalty and intelligence as we can command.

"If we are loyal to truth, if we have clear vision how to apply it to our politics, then we have on our side the omnipotent forces of justice, of righteousness, of life itself—on one condition, namely, that we individually do our part faithfully and persistently. Each man has freedom of choice, inherently. Only when he chooses to act in line with the forces of Life are these omnipotent forces released through his living acts.

"We are not fighting for power or for party, but for the recognition of great principles of the nature of life and the way to live. The Spirit of Love is the ultimate *living* spirit of this universe. In our Declaration we affirm that unselfish conduct is the only sure way of Life both for individual and social life; that the Golden Rule is our motto and is the rock upon which the Political Economy of our society must be erected. We believe that any slightest deviation from that leads to distress and disease in our social affairs.

"Having learnt and accepted this truth about living it is essential to learn how to apply it. All down history man has been trying to learn how most wisely to feed and clothe and house himself. Lately he has had the aid of science to tell him how many calories he needs, and what vitamins

to gorge himself with. So with his individual behaviour. He has had to learn how to treat his neighbour and who is his neighbour. This is the function of Religion or Ethics, call it what you will. Man must learn or perish. This is equally true of life in society.

"It is not enough for us to see and acknowledge a great central truth, a great guiding principle, a **GOLDEN RULE**. Sentiment is not enough. We must bring our full understanding and intelligence to bear upon its application to human affairs, with utter loyalty.

"Starting then from our Golden Rule of doing to others what we would that they should do to us, that is, true brotherhood, we perceive that it is contrary to this brotherhood for any individual, majority or sovereign power to use force to coerce another except to prevent such misuse of liberty as will restrict that of others. That is the charter of Liberty of the Individual. It is a fundamental of our Political Economy. It is our problem.

"The *Manchester Guardian* of February 26, in its leading article remarked: 'The future of Western Europe depends upon our power to educate opinion, and to show that we can remove injustice, and create a more equal and equitable society, while preserving human freedom.' We would add that the future of the world depends upon it.

"To the *Manchester Guardian*, and to other high-minded Press, we say, that in our Declaration of Principle we do show the way to remove major injustices and to create a more equitable society while preserving human individual freedom.

"Mr. Chairman, maybe you are wondering what all this has to do with good housing, plenty of goods and food, freedom from unemployment, want and fear. In our opinion, Sir, it is still righteousness that exalteth a nation. The command is still valid: 'Seek ye first the kingdom of God and his righteousness and all these things shall be added unto you.' Therefore we place, first and last, our emphasis upon these great truths upon which any lasting civilisation must be built. We are convinced that only in this way can all these other things be obtained.

"Again I refer to the *Manchester Guardian*. In its brilliant leading article of February 25, discussing Salvador de Madariaga's new book, *Victors Beware*, it asks: 'If we should be faced with a decision to deny certain men bread so that most may keep liberty, to leave some men without work so that all may not have to be directed to work at the State's choice, on what should we base our yielding all to liberty?'

"That is not a new question. How often have good men said to us: 'Yes, I agree perhaps with your policies, but meantime we must do something about the unemployed and the poor.' These seem to be very sound questions and statements with a true sentiment and desire to succour the needy and distressed. If we examine them carefully, however, we find that each has a basic error.

"Take the *Manchester Guardian* error. This assumes that Liberty and Plenty cannot exist together; that Liberty and Full Employment are contradictory; that State management and bureaucracy can provide bread and full employment.

"Each of these suppositions is false. Unemployment and poverty are not due to too much Liberty but to too little Liberty.

"Full liberty of the individual fully protected from encroachment has never yet been attained. One of the greatest tragedies in history occurred when this country, which was a great light in the world, at the turn of this century began to lose its faith in Liberty. Our leaders of Liberal thought were blind or false to the truth that one last main obstacle had to be removed from our Society before full liberty could bloom and come to fruition. Full employment, equality of opportunity, abolition of poverty were waiting at the door. Campbell Bannerman—to whom all honour—saw it. He was loyal to his vision. But other leaders gradually turned away either through blindness, or because they had great possessions, or great ambitions, or were opportunists.

"To the *Manchester Guardian* and others we say: If things are wrong in the world, do not compromise on your first principles, do not attempt to limit them. Question whether you have grasped all they involve, all their implications. Do not question their truth and value, and to-day specifically answer the question, can true Liberty exist when some men own the earth and all others must pay them rent to stand on it, to live on it, to work on it?

"When a Society is breaking down because of unwise legislation affecting trade, land, taxation, et cetera, in fact from restriction of Liberty, it is no remedy to curtail liberty further. You do not give a man more poison to cure him when he is dying of poison. That is our answer to those who want to cure our distresses by invoking further State action. Our policy is to increase Liberty further by altering our land system.

"We hold that coercion is wrong with one exception, namely, as a preventive measure to ensure that Liberty is not abused. This brings us to our next point. What is the function of the State? How should the State exercise its power?

"Our whole argument about Liberty convinces us that any use of power which restricts true individual liberty is ruled out and is immoral. This only leaves the State the right to exercise its power in a protective sense. Defensive Power we call it. We are barred from resorting to any State action which is coercive and aggressive in its nature. This forbids a vast amount of the State action which is taking place to-day. It also demands another type of State action which is not being used to-day. In only one respect will I very briefly touch upon it, viz., in its effect upon property rights.

"Property Law is a creation of the State by legislation. Property Rights are based upon the Golden Rule.

"It is the duty of the State to see that its laws conform to the Golden Rule, that its laws do not rob a man of his just liberties, that its laws protect a man from robbery by others. In both respects our present property laws fail. In the one case by making Nature (Land) private property. In the other case by empowering the State to tax and take from the individual what morally cannot be taken without that individual's consent.

"I should dearly like to show how this policy of ours for domestic affairs is also equally true for overseas affairs. Almost all the difficulties and distresses overseas, in our Empire and in other parts of the world, arise from too little Liberty, particularly in relation to land and its rent. Superficially the aspects differ, but if we examine deep down into the heart of the problem we can always see the absence of freedom and injustice in the land systems. In China, in Russia, in Africa, India, Jamaica, Australia, everywhere at the bottom of distress is unwisdom in these matters. Unless we follow out our Golden Rule in our policies and remedies then we only, as in all history, exchange one bad system for another.

"Who will help to spread these truths? Who will join this Crusade? There is no room for ambition, no special glory, no place and power, but there is that wonderful joy in the heart that we have done something to help our fellows, something to realise that great vision expressed so beautifully in the words:

He came to break oppression,
To set the captive free,
To take away transgression,
And rule in equity."

MR. CHURCHILL'S BROADCAST

Mr. Rupert Mason writes from San Francisco: "I have just heard Mr. Churchill's broadcast from Missouri. Had he quoted that famous passage from Henry George's Fourth of July Oration (1877), 'Is it too soon to hope that it may be the mission of this Republic to unite all nations, of English speech whether they grow beneath the Northern Star or Southern Cross in a League which by ensuring justice, promoting peace and liberating commerce, will be the forerunner of a world-wide federation that will make war the possibility of a past age and turn to works of usefulness the enormous forces now dedicated to destruction,'—he would really have spoken as a free and independent person which it did not seem to me that he did to-day. Not a whisper about tariffs or the taxes now being unjustly placed on the fruit of man's work, which taxes and tariff barriers are gradually but surely communising private property more than any propaganda or alleged scheming of the U.S.S.R. It is our own short-sighted and stupid unwillingness to distinguish clearly what is private wealth and what is common wealth that brings on, inevitably, the present confusion and bitter misunderstandings."

WILLIAM RICHARD LESTER

As we go to press we have to report with deep regret the death of Mr. W. R. Lester, which occurred after a six days' illness at his home, Keynes Place, Horsted Keynes, Sussex, on March 18. The British Henry George movement, and the movement throughout the world, loses one of its most outstanding personalities who by voice and pen and generous support has rendered it most devoted service over a long series of years. He was a past President of both the Scottish and the English Leagues for the Taxation of Land Values and was Treasurer of the United Committee since its inception in 1907. Next month we will give an account of his work which achieved so much by way of exposition and example, paying tribute to one whose memory will be enduring among all who speak in the name of Henry George. To Mrs. Lester and her sons and daughters we extend most sincere sympathy in their bereavement. At the funeral at St. Giles', Horsted Keynes, on March 20, Mr. A. W. Madsen was privileged to join the family and to represent Mr. Lester's associates in the cause which he had so much at heart.

LAND PRICES AND THE CONTRAST

MORE INSTANCES of the prices of land required for housing and other purposes have been reported at question time in the House of Commons.

Wembley. The Borough Council could not come to terms with All Souls College, Oxford, the owners of 19 acres adjoining Mardale Drive, Kingsbury. They had to resort to compulsory purchase powers. On February 14, the Minister of Health, Mr. Aneurin Bevan, told Mr. C. R. Hobson that the compulsory powers had been confirmed on November 5 last, but that the purchase price was not yet settled. The land, he said, had no rateable value. But that it has a market value is obvious—the market value which bad law exempts from taxation endowing and protecting those who privately appropriate that which rightfully belongs to all, namely, the rent of land.

Northwich. A near-by instance is that of the 192 acres including the Northwich Park golf course. Mr. Bevan informed Mr. Hobson on February 14 that the Middlesex County Council, wanting this land for an open space, had to pay £188,500, which is at the rate of £976 per acre. The only rateable value was that of the golf course. The remainder was agricultural land and as such had no rateable value. The equivalent annual value (say, at 4 per cent.), of the purchase price is £7,540. But all that the local authorities could assess was the £540 of the golf course. This is the anomalous and unjust contrast which our present rating system presents.

Newport, Mon. The Town Council has been seeking to acquire 174 acres at Liswerry for industrial purposes which the owners offer to sell at £26,900, equivalent to £166 per acre. When the matter was discussed by the Council, *South Wales Argus*, September 12, 1945, Councillor Dolman, the Chairman of the Improvements Committee, said it had been found that prices asked for land had been highly excessive and persons concerned had turned down offers; the high cost of land was one of the reasons why industrialists had not come to Newport. On February 18, in the House of Commons, Mr. Bevan informed Mr. P. Freeman that the Liswerry land was agricultural land and it had no rateable value. The Council had not yet applied for compulsory powers. But how quickly, we can imagine, the owners would make any such procedure unnecessary if they were called upon to pay rates willy-nilly on the real value of the land—that is, if the rating of land values were in force!

Leeds. The *Yorkshire Post* of September 27, 1944, reported that the Improvements Committee had recommended the City Council to purchase land on the Golden Park estate to reserve for "green belt" development. Asked the question on February 18, Mr. Bevan informed Mr. T. W. Stamford that the area in question was 146 acres, that its rateable value was negligible and that the Council had "resolved to pay" £18,500 for these 146 acres. As things are, they have no alternative and now the Council have to find—for the benefit of the of the landowner so privileged—that £18,500 by taxing the homes and premises of the citizens. This is the scandal of all these land purchases by which the people have to sacrifice to monopoly from their work and their wages, and a heavy responsibility rests on any Government which perpetuates it.

Morley, Yorks. The *Morley Advertiser* of July 6, 1945, reported the decision of the Town Council to pay Lord Dartmouth £4,662 for building land in Albert Road. On February 22, question was put by Mr. Stamford as to the area, the previous use and the rateable value of this land. Mr. Bevan replied that the area was just over 21½ acres (making the price per acre £216), that one-third had been

used for growing rhubarb and two-thirds as a general market garden and that the whole of it was previously unrated. That is to say, treated as "agricultural land," it was exempt from all local rates under provisions of the notorious "Derating Act" of 1929, and so the term "derated" has to be interpreted whenever mentioned in these instances. That Act, for which Mr. Neville Chamberlain and Mr. Churchill were responsible, carried to the limit the process begun with the Agricultural Rates Act of 1896, making the rate-exempt land all the dearer to buy or rent. And it may be recalled that when the Derating Act was passed, indirect taxation, mainly through the petrol tax, was thrown on trade and industry and the consumer to the tune of no less than £35,000,000 a year. We have to go back to the abolition of the military tenures and their replacement by customs and excise to find an equally sinister fiscal operation financing the land monopoly by the surrender of public funds.

Hawick. On March 5, Mr. McGovern asked about the ground at Silverbithall owned by the Royal Bank of Scotland for which the price demanded was £625 per acre. The area is about 25½ acres, which would make total price about £15,940. The matter had been hanging fire for some time, as we gather from the report in the *Scotsman* of April 21, 1945, and the question of securing entry by statutory powers had been considered. But now, as Mr. Buchanan for the Secretary of State for Scotland explained in reply to Mr. McGovern, the district valuer expects to bring negotiations for purchase "to a satisfactory conclusion at an early date." The land, it was stated, was part of an estate of about 38 acres which had an annual rateable value of £107. Looking at the relationship of these figures, the annual value (at 4 per cent.), of the demanded price is £637, whereas the rateable value of 25½ acres as proportion of the total area is £70. Again the contrast condemning the present rating system.

Malton, Yorks. Discussion took place at the Rural Council (*Yorkshire Evening Press*, February 16) with regard to housing in the area. Difficulties had arisen at Broughton in acquiring a site, the owner having flatly refused to sell. In the hope of effecting a last-minute settlement the clerk had approached the owner's solicitors, who asked a price of £1,350 for the 3½ acres. This was considered a ridiculous figure and the Council resolved to obtain a compulsory purchase order. The Council will as a result be obliged to pay whatever the official arbitrator "awards" to the owner. It may be less than what the owner demanded, but it will still be ridiculous by comparison with the value at which the land is assessed, if it is assessed at all. When the houses are built and occupied, the burden of rates will fall on them and the occupants. Meanwhile, with the speculative value of the land thus bolstered, the State pours out more and more subsidies to help the local authorities out of their difficulties and so that they can lower the rents of houses down to the level that the new tenants can afford to pay. None stops to consider at whose cost the subsidies are provided. Truly, it is a mad-hatter's scheme of things.

Jarrow. The price of land required for industrial purposes, five acres offered at £1,210 per acre, was regarded by the Town Council as in the nature of profiteering. This was stated at the Ministry of Health inquiry, reported in the *Newcastle Evening Chronicle* of October 10, 1945, when powers of compulsory purchase were being sought. On March 5, in the House of Commons, Mr. W. Roberts asked the result of the public inquiry and was told by Mr. Silkin that the compulsory order had been confirmed but the purchase price had not yet been fixed. The land was agricultural and therefore derated. It has no value at all for local

taxation purposes, but for these five acres the owners demanded £6,050. The matter is put in quite a wrong light when people thus speak of "profiteering." We should be done with these witch words. Every price for land represents wealth transferred to the owner without the recipient having done anything to produce it. The question rests with Jarrow and all other municipalities, how long they mean to tolerate this exemption of valuable land from taxation and what action they are taking to have the law altered whereby taxation and rates shall be levied on land values and taken off buildings and improvements? Given that change, land withholding would be profitless, courts to compel sales superfluous, a vast and expensive administrative machine dispensed with, gifts of public funds to landowners at an end; on the other hand, production liberated, encouraged and rewarded. Surely a natural way toward the solution of the social and economic problems men talk of so anxiously to-day.

Swansea. Last month we reported the agitation among householders in Swansea whose rating assessments have been raised because they have put up poultry sheds, greenhouses, garages, or other structures. It is certainly and unfortunately the law that whoever improves his property is liable to be mulcted in a higher assessment and increased taxation. But how startled these ratepayers are when the law thus hits

them in the face. The correspondence columns of the *South Wales Evening Post* have contained protest after protest. One writes: "I shall most certainly dismantle my greenhouse if the Corporation insist on levying this rate." Another: "I have retired and had hoped to spend a number of pleasant hours in my small greenhouse which was built to help the nation's need in foodstuffs. However, I shall certainly dismantle mine with many regrets if I am to be rated for what is a pleasant and helpful hobby." Another: "I have just returned from the M.E.F. after being away from home for 6½ years and feel disgusted to think we may have to pay extra for this little bit of pleasure and interest afforded by this small addition to a garden." Again: "It appears to be high time that a really live organisation was formed to give the local ratepayers some measure of protection against the autocrats who are running, or I should say ruining, this town." But missing in these letters is any understanding of the law and its inevitable operation. It bids the town to assess and rate every improvement, and in the circumstances the protesters have no case. Their argument is, of course, right, but it proves more than they think—the injustice of taxing any buildings or improvements and the injurious economic effects of doing so. The much-wanted live organisation is one that will get busy demanding the rating and taxation of land values.

"WATER INTO GOLD"

THE PLANTING and growth of cities in America, as described by Henry George in *Progress and Poverty* in 1879, was reproduced soon after in the Murray Valley, Australia. In the 1880s the lands along the slow, shallow Murray River in Victoria and South Australia could be had for a song; half a crown a square mile one writer said. The low rainfall, 10 inches annual average, was the drawback, making even sheep-rearing next to impossible. In 1883, however, George Chaffey was induced to leave California and his wonder-working irrigation schemes there, and visit the Murray regions. He saw that the conditions were ideal for fruit cultivation, with sunshine and water in abundance. George Chaffey as engineer, and his brother, William B., as horticulturist, began the work which has led to such striking results all along the 1,600 miles of the Murray, with its tributaries the Murrumbidgee and the Darling. The story has been graphically told in Mrs. Ernestine Hill's book, *Water into Gold* (Robertson & Mullens, Melbourne, 1943).

The Chaffey family expected to acquire the land on terms familiar to them in America, but, says Mrs. Hill (p. 68), "no grant of land was forthcoming. . . . In his task of conjuring up one of his cities in the sand, this Hercules was to find himself bound hand and foot. Negotiations seemed interminable." They were at last given a concession of 50,000 acres at £1 per acre, with an option on a further 200,000 acres, on condition that they spent £300,000 in twenty years on pumping machinery and other irrigation works. This concession was made by the State of Victoria, and a similar one was obtained from South Australia for lands on their side of the river Murray. Having secured their right, the Chaffey family set out to select the best location for their schemes. An official report of 1888 states: "When the Messrs. Chaffey obtained possession of the land at Mildura, set apart as an irrigation colony, a matter demanding their earliest attention was the selection of a site for a township, in such a position that it would be conveniently situated for traffic, readily accessible to the public, and adjacent to the lands to be first surveyed by agricultural settlers." Here we have the population factor determining the value of land long before the population was there. The site selected was where Mildura stands

to-day; and the South Australian site is now Renmark, the sister city.

The Chaffey family erected their pumps and advertised their land. They were soon disposing of town lots of one-eighth of an acre at £20 each, villa allotments of 2½ acres at £100 a lot, and land for cultivation at from £15 to £20 per acre in 10-acre lots. The success of the engineering efforts to supply water as and where wanted, was immediate and lasting. It was soon found that fruits of all kinds, and especially citrus and vines, could be cultivated to great advantage. The cliché was never more true, that the desert blossomed like the rose.

Inevitably there was land speculation, and periodic slumps and booms. Mrs. Hill speaks of "Mildura fever" breaking out—"land-hunger for those magical acres that three years before had been an *Ultima Thule* of dead hopes and dying sheep. It sent prices soaring to £40 an acre for fruit land and £50 for town blocks. One ten-acre orchard selection that a year before had been sold for £100 in ten years changed hands for £450. Soon the owners refused to sell at £60 an acre."

We are reminded that in those years the Australian States had rigid regulations and formidable tariff duties, one against the other. New South Wales and South Australia refused to allow vine-fruit to cross the borders. New South Wales imposed a duty of 2d. a lb. on dried fruits, so Victoria was the only market. Then in 1893 came the great Australian trade crash involving all in ruin. All save three of Victoria's banks closed their doors. Mrs. Hill says: "It was the natural reaction of the land boom. The Mildura settlers were ruined; the Chaffey Brothers included. Land values sank. "Twenty planted acres changed hands for £2 10s.—in later years the value rose to £240 an acre."

A remnant of settlers carried on cultivation. The railway came to Mildura. State works followed on the Chaffey schemes, and many weirs were constructed, leading up to the time when the great Hume Reservoir was opened just before the war, which completes the harnessing and control of the Murray River all along its 1,600 miles to the sea. The citrus industry grew steadily. Soldiers' settlements were established after the 1914-18 war, notably that at Red Cliffs. Land

values were rising again. "Another land boom," says Mrs. Hill. "Values were rising in a swift upward climb, until they reached £200, £300, £400 an acre." Blocks bought by settlers for 30s. an acre in the crash, they sold for £350 an acre in the boom, and, because no better investment offered, bought others on a rising market, with the banks behind them. "Common sense had taken wings." This boom, however, was short-lived. By 1923 land values ebbed to less than half again. Since that time conditions have favoured greater stability. Marketing has been better organised. In 1901 Federation led to the removal of inter-State tariffs. Then there came Imperial Preference in 1931 and the capture of the British market for dried fruits after Ottawa. For thirteen years the voluntary organisation of marketing and price-fixing in the trade became statutory and compulsory for all growers until these powers of monopoly were shattered by a Privy Council decision in 1938 and the industry was brought back to a voluntary basis.

There is another side, however, and C. B. Fletcher in *The Murray Valley* (1926) says that Protective duties on imports tend to be prohibitive and the man on the land says they are an eternal brake on progress. A great area of the soldier settlements is held from the Crown on long leases and does not give much in the way of security when money has to be raised.

Both Mrs. Hill and Mr. Fletcher in their books speak of the need for overseas markets for the fruit products of the Murray Valley. Mrs. Hill looks to a continuance of the Ottawa policy of preferential Empire tariffs, to protect the Victorian growers against the competition from California and Greece. How this is to fit in with the world's need for freer trade, and the present Anglo-American movement away from Protection, we are left to guess. Mrs. Hill seems to think that the Victorian fruit cultivators want British housewives to pay more for their dried fruits and other foodstuffs from Australia. Mr. C. B. Fletcher puts another alternative to Australia. He admits that "unless dried fruits from Australia can be landed in the world's market to compete successfully with the produce of the Mediterranean and American vineyards and orchards, our irrigation efforts may as well be abandoned." He goes on to show that reduced "overheads" is one of the secrets. Water carriage along the Murray is not fully developed. Reduced duties on imported agricultural products and machinery, etc., would also help. It is also true that these townships along the Murray are backward in adopting the system of relieving improvements from local taxes and concentrating local taxes on land values. They have the experience of paying State and Commonwealth land value taxation, but continue to raise most of their municipal revenue from taxing the industry and improved property of the cultivators. This does not make it easier for them to compete in world markets.

A former chairman of the State Rivers and Water Commission of Victoria, Mr. Cattnach, C.M.G., has calculated that if each family in Victoria ate only one pound more per week of fruit produced by Victorian irrigation settlements, there would be none left for export. So much for the supposed necessity for a guaranteed and protected export market. Various estimates, varying between five and ten millions, have been made as to the population that could find a prosperous occupation of the wide lands along the Murray Valley when irrigation has had its full effects. With land and markets freed from monopoly a thriving home demand would form the natural foundation for a prosperous export trade. Then would the marvellous works of irrigation that harness the great river bring their true reward and find their full justification, and the "Water turned into Gold" would enrich the whole people and not the protected few.

D.J.J.O.

GERMAN LARGE ESTATES

AN ARTICLE in the *Fortnightly Review* for March on "Land Reform in Germany," by Mr. Tibor Mende, contains some interesting information about what has been happening in the Soviet zone. The object of these changes is not merely economic but also political, aiming at eliminating the influence of the Junkers. A calculation by Georg Schmidt, former president of the Union of German Agricultural Workers, is quoted in support of the statement that between 1924 and 1930 the Reich spent no less than 3,264 million marks upon the support of the large estates. It is also stated that during the Nazi régime the estates of 16 princes were enlarged by 600,000 hectares. In March, 1939, there were 5,554 big landowners owning $5\frac{1}{2}$ million hectares of land. (One hectare equals 2.47 acres.)

The partitioning of land carried out in the Soviet zone of Germany resembles that in Poland, Rumania, and Hungary. The estates of Nazi leaders and supporters and of all owning more than 100 hectares were confiscated, together with all stock and equipment. This land is divided among small farmers, farm workers and refugees in holdings of five to ten hectares. The recipients pay a price equal to the value of one year's crop at autumn 1945 prices by instalments to be spread over 10 to 20 years. The new holdings cannot be sub-divided, sold, leased, or mortgaged. The agricultural machinery is handed over to mutual aid committees. This, coupled with the small size of the holdings, enforces a certain degree of collectivisation or co-operation.

Shortage of equipment and livestock has in many cases made the practical carrying through of the proposals impracticable. "In addition to the material damage inflicted by battle, millions of Red Army men lived off the land and requisitioned not only grain, potatoes, and livestock, but also tractors and other agricultural machinery."

A system of compulsory deliveries of quotas of produce according to the fertility of the district has been instituted. What remains to the farmer can be sold in the free market. This resembles what is in operation in the Soviet Union.

A TRADE UNION DEMAND

For the Annual Delegate Meeting of the National Union of Distributive and Allied Workers, being held in Blackpool in May, the Preston Branch has submitted Resolution in the following terms: "This A.D.M. believes that to prevent an alarming growth of unemployment in this country, the Government should be urged to include in the next Budget a tax on land values, such as was contained in the Labour Budget of 1931 and repealed by the reactionary National Government in 1932. This Delegate Meeting realises, as did the Tories in 1932, that a tax on all land values would provide public revenue out of the public fund now enjoyed by private landlords, and would force unused land in town and country into good use, thus providing new opportunities for useful employment in the production of food, homes, minerals, etc. As the Labour Party has long advocated this policy, this Delegate Meeting declares that the time is opportune for prompt action by the Government on these lines."

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LOCAL RATES AND WHO SHOULD PAY THEM

INCREASES OF rates are reported from many parts of the country. The rate in the pound has gone up by one, two, or even three shillings. Some local authorities have so far evaded this action by drawing upon balances which they have accumulated during the war, but that process cannot be long continued. Increases of rates are inevitable and unavoidable, unless the State should withdraw a large bulk of expenditure from the control of local authorities.

The operative causes are obvious. The cost of the materials and services required has risen because of the inflation which has taken place during the war. The rise in the price level may be expected to be permanent. Inflation is a process that is never completely reversed, unless it proceeds so far that the currency collapses completely, and a new monetary unit is substituted. On the other hand, revaluations for rating take place only at quinquennial intervals. The rating authorities are most reluctant to incur the odium of increasing the valuation, and so the recorded valuations lag far behind the true values. Even in the twenty years between the two wars, valuations had not overtaken the new price level.

Unwillingness to increase valuations is especially pronounced in the case of dwelling houses. This is connected with the operation of rent control, as an endeavour is made to keep the valuations in step with the controlled rent. On the other hand, the valuations of shops, factories and other properties were increased to a higher extent than those of dwelling houses. As, even before the introduction of derating, dwelling houses accounted for about three-quarters of the total rateable value, the increase in the valuation of other properties was not sufficient to prevent an increase in the rate in the pound. Thus the increase in the valuation coupled with the increase in the rate threw a disproportionate part of the burden on factories and other properties.

The "Derating" Legislation

This set of events was one of the reasons why complaint was made of the burden of rates on industry, transport and agriculture. It provided the excuse for the derating legislation of 1929-30. As a result of the complete exemption of agricultural land and the three-quarters exemption of industrial and freight transport hereditaments, the proportion of the rate burden borne by dwelling houses and other non-derated subjects rose from 77 per cent. to 95 per cent. of the total. This is one of the facts brought out in a study of *Derating* published last year by the Institute of Municipal Treasurers and Accountants.

The distortion of the rating system resulting from derating was much greater than average figures of this kind would suggest. The cumulative loss in many rural districts caused by derating of agricultural land was the equivalent of a rate of many shillings in the pound.

Similarly in highly industrialised districts the three-quarter derating of factories and railways has thrown a sharply increased burden on other properties.

It is interesting to observe that the report referred to comes to the conclusion that there has been no fulfilment of any of the hopes held out by Mr. Winston Churchill, when, as Chancellor of the Exchequer in 1928, he announced the scheme. The inequalities of rates between one district and another have not been mitigated but have increased. The distressed areas were not restored to prosperity. Industry was not set upon its feet again. Agriculture still alleging its plight clamoured for and obtained subsidies, import quotas and other assistance of many times the value of the derating relief.

It is also interesting to observe that the *Report on Reconstruction*, issued last year by the Incorporated Association

of Rating and Valuation Officers, comes to the conclusion that these exemptions "have a purely historical origin and little rational justification."

Alternative Methods

This report deals not only with derating, but surveys the whole field of local rating. It makes a large number of proposals for administrative changes, which are intended to make the existing system work better. These need not detain us. It also looks at the question whether the basic principle of our rating system should be altered, and comes to the conclusion that it should not. The idea of a local income tax is dismissed as not providing a practicable alternative to the present system for a number of reasons which need not be repeated. In this they are undoubtedly correct.

After setting out a series of propositions which are described as the arguments for and against the rating of site values, the Report says: "The taxation of site values has much to commend it, but as an alternative method of raising local revenue it is undesirable. The rating of annual values as proposed in the Uthwatt Report appears to be practicable and provides the best method yet advocated for securing 'betterment.' The present system of rating, with or without a practical scheme for rating site values, is better than the proposed alternatives."

Houses Made Scarcer and Dearer

The inconsistency of these observations is evident. It arises, as so often happens in reports of this kind, from failure to elucidate the economic aspects of the question. For example, this Report says, quite correctly, that rates are a charge on the occupation of property. It then goes on to say that the amount the tenant has to pay in rates will affect the amount he is prepared to pay in rent. No attempt is made to pursue this argument to its ultimate conclusion. If the tenant pays less rent, it becomes unprofitable to build houses, and ultimately shortage of houses raises rents to a point at which it becomes possible once more to build them. This effect of the present rating system in making houses scarcer and dearer is entirely ignored in this Report. This is all the more strange when it does say very clearly that "rates are a charge not on income but on expenditure. In the case of houses they are a direct charge. With other classes of property, such as clubs, licensed premises, shops, business premises, industrial, transport, and public utility undertakings, they are an indirect charge, because it is well recognised that they are ultimately passed on to the consumer." Thus the argument used in another place that rates are a "selective" tax, the amount of which the ratepayer can vary by changing his place of occupation, is blown sky-high. If every ratepayer could shift to a lower rented property, the total to be raised in rates would still be the same and all that would happen would be that the rate in the pound would be increased.

Concrete Proposals

The concrete proposals which the Report makes for reform of the rating system are that local government services should be classified as either beneficial services affecting property or social services affecting the individual. The expenditure on beneficial services should be borne entirely by the rates levied as at present. The expenditure on social services should be met in part by Government grant and the balance by rates. The cost of town and country planning should be met out of a rate on increases of land value on the lines suggested in the Uthwatt Report,

The distinction sought to be drawn here between beneficial and social services owes its origin to the distinction attempted to be made between beneficial and onerous services by the Royal Commission on Local Taxation in 1901. No hard and fast line can be drawn, but in so far as the services provided by the local authority go to enhance the value of property, it is the value of land which is enhanced and not the value of the buildings. Thus, if this distinction means anything, the conclusion to be drawn is that the rates for maintaining the beneficial services should be met out of a rate on site values. But it is the whole complex of services provided which, together with natural advantages, determines the value of land at any point. There is thus a sound case for rating site values for all municipal purposes, and that indeed is what is done in the many places in which this plan is in operation.

The Association, in its report, does indicate some of the

main arguments upon which the case for rating site values is based:—That site and buildings differ in character; that the value of sites arises without effort on the part of the owner, while buildings must be erected and maintained; that to shift the burden to site value would encourage the erection of buildings; and that unused and vacant land would be rated, thus tending to the best development of land.

No attempt is made to counter these sound arguments. Nor is any attention paid to the great body of practical experience which attests the value of rating site values. Neither does this Association, nor the Institute of Municipal Treasurers, note that the rating of site values would be the means of granting a true and beneficial derating of the work of men's hands which we would wish to encourage while not exempting (and thereby allowing to flow into private pockets) the value of land which the community creates.

INCREASED GOVERNMENT CONTROL OF INVESTMENTS

THE INVESTMENT (Control and Guarantees) Bill, to which a second reading was given on the motion of the Chancellor of the Exchequer (Mr. Hugh Dalton) on February 5, proposes to do two things. Clause 1 enables the Treasury to prohibit or control the borrowing of money or the raising of money by the issue of shares, debentures or other securities. Clause 2 enables the Treasury to guarantee the borrowing of money by individuals up to a limit of £50,000,000 in any financial year. The extent of the control to be imposed over borrowing is to be settled by Order in Council. The Government has published a draft of the first order proposed to be made indicating that the control will not extend to transactions below £50,000. Such an order could at any time be revoked and a more extensive one put in its place, subject to the power of the House of Commons to annul it by resolution within a limited time.

The Bill was introduced by the Chancellor of the Exchequer as part of the machinery for economic planning. It was criticised by some Labour and Liberal members as not going far enough. It was opposed by the Conservatives as a restriction upon freedom and individual enterprise and initiative, although some admitted that a temporary measure of control while there was acute shortage of capital might be justified. Some opposition approval was also expressed of the part dealing with guarantees—a principle which was established to a limited extent by the Trade Facilities Acts, 1921 and 1926, and the Development (Loans, Guarantees and Grants) Act, 1929.

The Chancellor of the Exchequer stated that the object of the Bill was "the determination of priorities according to the national interest. . . . We must make our plans, aiming at full employment, a fair distribution of wealth among the different sections of the community, and the best use in the national interest of all our resources, whether physical or financial." The power of guarantee was "intended as an anti-slump weapon" and to assist "industries which are in a bad way and are greatly in need of modernisation and new plant."

Broadly speaking, we would say that the Bill gives to the Government powers to divert the investment of money from those channels which the investors consider most profitable to others which they consider less profitable. In the one case this result is achieved by the Treasury refusing to permit the investment. In the other case, it is achieved by the Treasury guaranteeing the repayment of money lent and thereby giving the lender the assurance that the taxpayers will refund his money if the enterprise in which it is invested is a failure.

It is hardly conceivable that these measures can increase the amount of capital invested above what it would other-

wise have been. They would simply seem to have the effect of diverting investment from some purposes to others. If this view is correct, the ultimate justification of the Bill is that the Government knows what the people want better than they know themselves, or else that they want the wrong things and that the Government ought to prevent them from getting what they want. The issue should not be obscured by talk of various abuses which have been associated with some financial transactions. It is the duty of the State to protect people against fraud, but that is not the real purpose of this Bill, and is a subject for another Bill which is said to be under consideration.

The suggestion that the Bill is an anti-slump measure appears to rest upon the assumption that the power of guarantee under Clause 2 can be used in a time of depression so as to increase the total volume of production and not merely to divert it from one channel to another. This in turn appears to rest upon the idea that during a depression there is money lying idle which can be put into circulation by such means. If that were true, the real avenue of inquiry should be to examine why money was hoarded and to eliminate the causes. However, this is a speculative discussion, for we did not notice that any speaker attempted to give an economic explanation of how or why this Bill could be an anti-slump measure.

The one effect which it is clearly likely to have is to strengthen the power of the great monopolies and combinations who will be able to exercise the utmost pressure upon the Treasury when they want permission to borrow money or issue shares and will be able to persuade the Treasury to guarantee loans which they will then be able to raise at low rates of interest. Thus the public credit will be used to advantage the shareholders in these giant undertakings, while the manufacturer or trader in a small way of business will find it more difficult than ever to raise the capital which he wants. This seems to be a curious outcome of Socialist policy, but practical experience of such measures in the past has shown that it is the inevitable and logical outcome.

WELL SAID. The effect of taxation on the housing problem was criticised by Mr. Justice Macnaghten in the Revenue Court to-day (London *Star*, March 12): "All the dilapidated buildings you see are really due to the system of taxation," said the judge. "It is the same with cottages. You have a dilapidated cottage and make it good and habitable, but immediately you have done that you have to pay much more in income tax upon it. People are clamouring for good houses, but the real cause of the disgraceful housing conditions is taxation."

The same applies with greater force to local taxation.

THE RULE OF THE BUREAUCRAT

IN HIS recently published short study of *Bureaucracy*,* Professor Ludwig Von Mises refers in his preface to Great Britain as "once the cradle of modern liberty." According to his publishers the author is leader of the "Austrian School of Economics," but it is something of a shock to realise that criticism of bureaucracy's encroachments can no longer be identified with any school of economic thought in the country of Adam Smith. We must be grateful, however, for any rallying point against the prevailing drift of ideas which has certainly never halted at a frontier. If paternalism has invaded us from central Europe, so might our own liberal ideals return to us again.

Limits of State Direction

Professor Von Mises, who appears to address himself mainly to American readers, seeks to rationalise the business man's impatience with the bureaucrat by showing that the agents of the State cannot be responsible for the results when the bureaucratic method is applied in spheres to which it is inherently unsuited. In public administration, such as the judiciary, the police, the collection of taxes, and the armed forces, there is "no market price for achievements." The civil servant is thus enabled to act according to rules and regulations which can be adequately laid down and controlled by the sovereign people through their representatives. It is necessary to appreciate that the bureaucratic method is appropriate for these purposes in order to understand that it cannot be applied, in a society even moderately free, to the provision of goods and services which have a cash value in the market.

The producer, seeking to meet public desire under "capitalism," risks his own property and labour and acts on his own initiative under continually changing conditions of production and price. Officials, however, even of the most dictatorial States, cannot act on their own initiative because every government must control its own revenue. Officials must follow regulations, but no State can entirely regulate individual desire in consumption or ingenuity and skill in production. "Progress is precisely that which the rules and regulations cannot foresee." All that bureaucratic planning can accomplish is to follow clumsily and expensively the indications afforded by those markets which remain comparatively free.

Resulting Disasters

The attempt to direct production and markets—including the labour market—by bureaucracy creates conditions which are cumulative, and unless reversed must end in economic and political disaster. Neither competition nor the "profit-motive" is eliminated. They are diverted from serving the desires of an impersonal market by the method of industrial progress and turn instead to serving the desires of the party in power by the method of political intrigue. In this process the prevailing system of taxation takes a prominent part. Where the dividends of business concerns are almost all absorbed by taxation the influential industrialist expects and receives from the bureaucrat the protection and favour such a valuable contributor of revenue requires, despite any official condemnation of "private enterprise." This protection, however, has its price. The Collectors of Revenue tend to become "the supreme authorities in matters of manufacturing." Where the government determines the height of tariffs and freight rates, grants or denies import and export licences, monopolises foreign exchange, "no corporation can afford the luxury of an executive unpopular with the administration, the trades unions and the great political parties." The injury is not only to efficiency but to the morale of

the whole society. The conditions in the Southern and Eastern European countries—inefficiency of industry, corruption of government and poverty of the people—are an example of the ultimate effects of bureaucratic direction of industry.

Germany and France as Examples

In his examination of the social and political implications of bureaucratisation, Professor Von Mises cites the political structure of Germany and France in the last years preceding the fall of their democratic constitutions, when "for a considerable part of the electorate the State was the source of income. There were not only the hosts of public employees, and those employed in the nationalised branches of business, there were the receivers of unemployment dole and of social security benefits, as well as the farmers and some other groups which the government directly or indirectly subsidised." As voters "their main concern was to get more out of public funds. They did not care for 'ideal' issues like liberty, justice, the supremacy of the law, and good government. . . . No candidate could risk opposing the appetite of these public employees for a raise." We know how weak these democracies proved to be when faced with a crisis, and we know all too disturbingly the similar trends in our own country.

The part played by youth in overthrowing Continental democracy is well known. Professor Von Mises considers this could have been arrested if the advocates of government omnipotence had not succeeded in preventing youth from becoming acquainted with the teachings of economics. The stages by which government control of education and the universities reduced economics from the study of economic laws to the study of statistics and disconnected facts relating to State action are yet another warning to us.

But, as the author points out, there are also psychological consequences when the rising generation tends to seek employment as *fonctionnaires* rather than in business. "The young man will enjoy security. But this will be rather of the kind which the convict enjoys within the prison walls. He will never be free to make decisions and to shape his fate. He shudders at the sight of the huge office buildings in which he will bury himself." Hence the revolt expressed in the various kinds of Youth Movements which, significantly, began in Germany before the first World War. "But it was a counterfeit rebellion. . . . The rioters were impotent because they were under the spell of the totalitarian superstitions. They indulged in seditious babble, but they wanted first of all government jobs." In the result the Youth Movements lost their identity in the all-embracing State; under the one-party system the chains are riveted stronger than before. "The only right that young people enjoy under bureaucratic management is to be docile, submissive, and obedient." The critical sense tends to decay. "Politicians and writers outdo one another in the adulation of the sovereign, the common man. They do not venture to impair their popularity by the expression of unpopular ideas." These and other consequences of bureaucracy are traced in adequate detail and with admirable clarity by Professor Von Mises. Other authors have done this before, notably Max Hirsch as far back as 1901, but surely no age needed the warning more than our own.

What about Remedies?

When he comes to deal with possible remedies, however, Professor Von Mises, like so many other advocates of "capitalism," fails to work out the cure by the only logical method, i.e., by diagnosing the cause. He never sets himself to show why public opinion after many years of

* William Hodge & Co. 8s. 6d.

"private enterprise" found it so unsatisfactory that whole nations have been seen to swallow notions that on close examination appear utterly absurd. Nevertheless, he makes a suggestion of the greatest importance, so important indeed that it could lead to a régime of private enterprise free from those defects which enabled the sophists to bring the phrase into disrepute.

Apply Common Sense

"Whether one likes it or not, it is a fact that the main issues of present-day politics are purely economic and cannot be understood without a grasp of economic theory. Only a man conversant with the main problems of economics is in a position to form an independent opinion on the problems involved. . . . The first duty of a citizen of a democratic community is to educate himself and to acquire the knowledge needed for dealing with civic affairs. . . . What is needed above all is *common sense* and logical clarity. Go right to the bottom of things is the main rule." If sound knowledge of the basic factors of economics were to be generally diffused, however, we believe that Professor Von Mises would be required to explain with greater clarity many of the terms, such as capitalism and free enterprise, which he employs with dubious meaning. Moreover, he, in common with all other prominent economists, would be required to reveal the Great Economic Mystery: why, when land is the first necessity of all production, and land revenue the natural revenue of the community, all reference to this overriding consideration is studiously avoided by prominent economists, Socialist and non-Socialist alike.

It would not be true to say that this book is designed to appeal mainly to the self-interest of the American business man, but a hostile critic might easily be led by some passages to make the charge. The author, like so many of those who are prompted more to criticise the "Left" than to seek the remedy for more fundamental evils, is extremely brief in his references to those methods of tariff and other legalised monopoly by which business men sought to gain legal privilege long before modern bureaucracy reached its present strength. He does "not recommend capitalism for the sake of selfish interests of the entrepreneurs and capitalists, but for the sake of all members of society." But there is nothing in his book to disturb a "capitalist" bent on self-interest by the same methods that have hitherto obtained, and there is little indeed to explain to any member of the "landless proletariat" the cause of the evils which bureaucracy presumes to remedy. One cannot avoid the suspicion that Professor Von Mises does in fact address himself to the self-interest, if not the selfishness, of the business man more than to the general sympathies of mankind.

It is sound and right to show that economic freedom in the long run brings to every producer solid material gain, but there is some danger if we insist too exclusively on self-interest as a motive for social action. At the present time selfishness—unless of that kind so enlightened that it ceases to be selfish—would induce every business man and every operative to make their best terms with the bureaucrat. If we would advocate freedom successfully we must appeal not only to self-interest but also to the social sympathies and higher emotions, to an elevated conception of the dignity and purpose of life. After all, a selfish man will help only those causes which have won or are winning; and this is far from the situation of freedom to-day.

F. D. P.

OBEYING THE LAW OF RENT

THERE IS an intellectual beauty about the Law of Rent that makes it surprising that it is so neglected in political discussions, even amongst those most concerned with the interests of labour. The Law of Rent is well known; its best expression being that of Henry George in *Progress and Poverty*: "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use." Here the important phrase is "the same application," that is of labour and its tools, seeds, machines, etc., summed up in the word "capital." This application of labour and capital to opportunities that vary in productiveness, leads, on the better opportunities, to an excess yield which it is obvious, by reason of the terms of the proposition, is not due to the amount of labour exerted.

This law is usually illustrated in some such way as the following. On one piece of land on the margin of production, where no rent is or can be charged, a given amount of labour will produce wealth to the amount of say £100: on a superior site, the same effort will produce £150: the difference representing an economic rent of £50 as between the two sites. If this rent is appropriated by the man who happens to be in possession of the favourable site then an injustice is done to the other man who worked as hard, but whose opportunity was unequal.

There is, however, another way of looking at the Law of Rent, which throws the injustice into even more glaring light. If we turn the above illustration round, and consider, not a given amount of labour applied to varying sites, but a given amount of wealth to be produced from these differing sites, we get some such result as follows. On the superior site wealth to the amount of £150 requires a certain degree of labour, let us say two days. Then it follows that on the inferior site in our illustration, the same amount of wealth, £150, will require three days labour to produce. That is 50 per cent. harder toil for the same reward. If they exchange their products with each other, or take them to the market, which in the long run will be the same thing, one will be giving the results of three days' work and receiving in return the results of only two days'. For two days' imports he will have to give three days' exports. In other words, the less fortunate worker will have to work one day for nothing.

It is obvious to those who remember the basic economic law that men seek to gratify their desires by working as little as possible, that no man would work on land yielding only £100 worth of wealth if he were free and had free access to better land yielding £150 worth. That is, no man would work for three days for the same result as he could get by working two days, if he could help it. If, however, the rights of private property are extended so as to include land as a commodity on the same footing as articles made by man, then it will be possible for some men to appropriate the better sites of land and the economic rent which their superiority gives.

We have not considered so far the consequence that taxation for public purposes will have to be levied on products of industry because the economic rent fund is thus appropriated by individuals. We wish to focus special attention on this deduction from the Law of Rent, that men who are denied their rights in the land are subjected, not merely to an abstract injustice or some subjective affront to their feelings, but are made to exert hard physical toil beyond the limits of what they would choose under fair conditions.

Yet this is the state of the world to-day, revealing the causes of the world-wide unrest. Forced labour, unrequited toil, men forced to work on disadvantageous sites, when better opportunities are visible to their eyes, these are the

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great social evils arising out of a neglect of the Law of Rent and its implications. If men were free they would exert their labour where the reward would be greatest, that is on the best land thrown open to them by the prevention of monopoly and the private appropriation of the economic rent of land. It is the present toleration of this private appropriation that gives the encouragement to speculation in land and its being withheld from use, thus compelling the resort to land that requires increased effort to secure a

given return. A true understanding of the Law of Rent would show how by bringing higher capacities of land into freer use—and this can be done by taxing all land on its value—human energy can be economised and wasted effort avoided. As the saving of energy and the avoidance of waste should be one of the first aims of every Government the Law of Rent stands as the sign-post to the most pressing legislative need of our country and our time.

D. J. J. O.

NEWS FROM OVERSEAS

(Press Service of the International Union for Land Value Taxation and Free Trade, 4 Great Smith Street, London, S.W.1)

JOHANNESBURG: INCREASED LAND VALUE RATE. The city has raised its assessment rate from 7d. to 8d. in the £ of capital land value, this municipal tax exempting all buildings and improvements. The increase (*Rand Daily Mail*, February 11) has been approved by the Administrator, General J. J. Pienaar. The chairman of the City's Finance Committee, Mr. D. H. Epstein, has published the reasons for the increase (*R.D.M.*, February 12), saying that the Labour Party believes that the average citizen, the "little man," is better served by an increase in the rates than by an increase in service charges. "It would not be right to make the very poor pay for the increased city expenditure through increased charges for water, lights and transport to a greater degree than those better off. By increasing the (land value) rate the burden is spread more evenly. The central property owners will pay nearly two-thirds of the increase. Suburban property owners will pay an extra few shillings a month, depending on the value of their stands . . . in the majority of cases they will pay less than if an increase in service charges had been accepted."

The fault in Johannesburg finances has all along been that, although the assessment rate is levied wholly on land values, a large part of the revenue has been derived from that indirect and unjust taxation disguised as "profit on municipal services." The foregoing statement on the part of the Labour Party is therefore to be welcomed, appreciating the truth that the proper revenue of the community resides in the land value which the community creates. In this regard we notice the protest of the Johannesburg "Property Owners Protection Association," i.e., the owners of the highly valuable land in the central section who complain against having to pay the major part of the new "burden," as if they had made the land valuable or as if they were entitled to continue the appropriation of its value. Here is a clear clash between the private and the public interest and the Labour Party rightly stands for the latter. The "Property Owners" show their real colours as mere monopolisers of land value in their demand to put some taxes back on to buildings and improvements and in their apprehensions of the still higher contribution they will be required to make when, with land value rating still fully in effect, the pending periodic revaluation of Johannesburg takes place.

AUSTRALIA. *Progress* of Melbourne for December, 1945, reports activity in many areas, the making ready of petitions demanding polls of ratepayers for the levy of rates on land values in Footscray, Preston, Northcote and Moorabin and steps in the same direction in Box Hill and Nunawading besides in other places. The Shire of Philip Island has indicated that it supports site-value rating and intends to adopt it next year. Ballarat is inquiring into the desirability of making the change to that system.

In Western Australia the Road Board of Manjamp has decided to adopt site-value rating, and the Board of Mosman Park which has that system in force but had intended to revert from it was defeated through a largely signed petition of ratepayers to the Minister.

In Tasmania a Bill to make ratepayers' polls mandatory and not merely advisory, as they have been in that State, has passed the Lower House of Assembly and now goes to the Legislative Council where it is not anticipated that serious opposition will be met.

There is a general report on the position of Greater Brisbane, Queensland, where the area under the direct control of the City Council covers 375 square miles, of which 63,239 acres are in urban use and about 188,000 acres are in use for rural purposes.

The rates are levied on the value of the land alone, exempting all buildings and improvements and the assessment is the capital value of the land. The rates are: for general purposes, 13d. in the £; for water, 5d.; for sewerage, 3d. For rural land the corresponding rates are 6d., 3d. and 2d. One of the major factors in the diffusion of prosperity in this city has been the extreme cheapness of land. This is instanced in the records of changes in property ownership, relating mainly to existing houses and not merely cheap vacant lots. In the year ending June 30, 1942, the properties sold numbered 4,829. Their improved value (land and buildings) was returned at £2,133,243, while the assessed value of the land alone was £169,764, the latter working out at an average of £35 per lot as compared with an average of £407 for improvements alone. The picture of these cheap sites and these untaxed improvements illustrates the working of the land-value-rating system now universal in Queensland.

DENMARK. Welcome for our Library, helping to make good the disaster of May 10, 1941, are a whole series of the informative Land Value Maps of Copenhagen and other Danish towns issued by the Central Valuation Department; also the handsomely produced large-type editions of Henry George's works—*Progress and Poverty*, *Social Problems*, *The Condition of Labour and Protection or Free Trade*. The parcel includes in book form with portrait the *Law of Human Progress*, being the latter part of "Progress and Poverty," the lecture *Moses* in large format, Jakob E. Lange's *Political Economy* and his *Life of Henry George*, Axel Fraenckel's *Economic Liberation*, and a large selection of the elegant booklets published by the Ecotechnical High School. It is especially interesting to find among the last-named, under the title *The Prophet of San Francisco*, the script of the Radio Play which was broadcast from the Copenhagen station on September 2, 1939, in celebration of the Henry George centenary. Finally, a booklet of twenty-four pages being the selected list of literature on "Henry George and Georgeism," prepared by the Central Library for the Maribo County. This contains no fewer than 163 titles.

BULGARIA. The good news comes from Sofia that Mr. B. Guduleff and his family have come safely through the war. Home, however, was destroyed in Allied air attacks. In his letter to the International Union for Land Value Taxation and Free Trade, with which he has been long associated, Mr. Guduleff writes: "Many of our friends here are eager to resume the propaganda of Henry George's ideas. Already in Plovdiv we have restarted the Henry George Association, of which Dr. Karaivanoff is secretary, and we are contemplating new editions of *Social Problems* and *Protection or Free Trade*. We expect before long to be engaged in extended work. We wish to resume contact with friends in France, Denmark, U.S.A. and other countries and to be acquainted with the latest developments and legal enactments." Among other active workers in the movement are Mr. Edreff, agricultural specialist in Kazanlik and Mr. Kovatcheff, advocate, translator of *Progress and Poverty*, *Social Problems* and *The Land Question* and author of the booklet *The Fight Against Poverty*.

With all else that is said or rumoured about the political scene in Bulgaria, it is reassuring and gratifying to learn that the teachers of Henry George's social philosophy are thus freely spreading the light.

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SCOTTISH LIBERALS REORGANISE

Under a revised constitution the Scottish Liberal Federation gives place to the SCOTTISH LIBERAL PARTY, by which individual membership is open to all persons who subscribe to the principles, and Liberal associations and other Liberal organisations in Scotland can affiliate.

This change was decided upon at the Annual Business Meeting of the Federation, held in Edinburgh on March 15. The following day the newly constituted "Scottish Liberal Party" held its Conference and issued a Manifesto declaring "the propositions upon which the Liberalism of to-day will be securely founded," viz.:-

1. The only criterion of human progress is that all social and economic change should lead to greater individual freedom. Freedom is a positive spiritual conception which expresses the deepest purpose of life. No solution of any political problem is the correct solution unless it is consistent with the development of positive human freedom.

2. Freedom, being an individual and personal goal, can only be achieved in terms of the individual person. The conception of freedom is inapplicable to organised groups, institutions, or corporations except in so far as they are thought of as an aggregate of individuals.

3. The most important social aspects of the concept of freedom are:-

(a) Freedom of mind and conscience, or cultural freedom.

(b) Freedom in the choice of occupation and freedom to enjoy the fruits of one's own labour, skill or ingenuity.

(c) Freedom to participate effectively in the choice of Government and to participate effectively in the control of government.

(d) Freedom in the choice of personal satisfactions, which involves freedom in the exchange of the products of labour, skill or ingenuity, and freedom of movement.

(e) Freedom to use all natural resources unrestricted by private monopoly.

4. It is a condition of the development of freedom that there should exist in society no privileged classes or individuals, no monopolies which are not effectively controlled by the whole community and no inequality of opportunity as between one individual and another. All values in land and other natural resources created by the community should be taken in taxation for the benefit of the community.

5. It is a further condition of the development of freedom that the functions of the State should be within the comprehension of the ordinary citizen, and that there should not exist within the State a class which rules, either by virtue of economic privilege or by the delegation of governmental function.

6. No society other than a community of free individuals can be a healthy and stable society, and it therefore follows that only such a society can achieve economic success. The real condition for economic progress and the banishment of poverty and war is therefore the establishment of such a society. Attempts to solve economic problems without regard to human freedom will end inevitably in material as well as spiritual disaster.

Among the resolutions adopted by the Conference was one on Housing and Rating affirming that: "The Scottish Liberal Party deplores the failure of the Government to cope with Housing and declares that this problem in Scotland cannot be solved without the burden of Rating being removed from Enterprise and Development, and local revenue derived from a tax on site value."

Head offices of Party are at 26, Frederick Street, Edinburgh, 2.

At the Urban District Councils elections taking place in April, Mr. Stephen Martin, one of the hon. secretaries of the Liberal Liberty League, is the Liberal candidate in the Lamorbey West ward of Chislehurst and Sidcup. Mr. Martin has been in the forefront of the local political and social life of the district for fourteen years and with his interest in all progressive causes, championing the freedom of trade and the freedom of production, he has never let opportunity slip to advocate reform in the unjust rating system. Needless to say that in this contest "Rate land values, take rates off houses and other buildings and improvements" has first place in his programme.

NOTES AND NEWS

The Liberal Liberty League held its Annual Meeting in the Livingstone Hall, Westminster, on February 28. Reports were received from the Executive officers and the Committee was elected for the ensuing year, including the officers, viz.: Chairman, Mr. Ashley Mitchell; Vice-Chairman, Mr. T. Atholl Robertson; Hon. Treasurer, Mr. Wilfrid Harrison; Hon. Secretaries, Messrs. C. H. Batty, F. Dupuis and S. Martin. The General Council, consisting of about 100 members, was also reappointed. The new *Declaration of Principle* which had been circulated beforehand to all members, was unanimously approved and released for publication.

Following the business session, a public demonstration was addressed by Messrs. Wilfrid Harrison, A. W. Madsen and T. Atholl Robertson, Mr. Ashley Mitchell presiding, and many took part in the subsequent discussion. It is an encouragement to the League to see the excellent notice of the meeting in the *British Weekly* which was personally represented by its Editor. In another column we report Mr. Harrison's address in which he spoke on the principles laid down in the new Declaration.

Other recent publications are the statements on "Purpose and Policy" and on "Full Opportunity for Employment." The League rents office accommodation at 4, Great Smith Street, London, S.W.1 and its officers will be happy to provide all information about its work to interested inquirers.

Mr. A. G. Bradburn, Vice-President of the Portsmouth Pharmacists' Association, was among the many who regretted inability to attend the Livingstone Hall meeting. He wrote: "I am in support of any action taken to (a) combat the pernicious and immoral system of taxation which penalises the honest, industrious, and prudent citizen in order to provide for the shiftless and improvident; (b) endeavour to reform the present system of Land Taxation whereby putting land to better use, and the improvement of property thereon, immediately produces an additional burden of taxation in the form of increased rates; (c) relieve private enterprise of the onus of acting (under penalty) as unpaid tax collectors while at the same time being called upon to foot the cost of extra staff to deal with P.A.Y.E., Food and Clothing Coupons, N.H.I. contributions, to say nothing of financing the Treasury by paying Purchase Tax on goods before they reach the consumer; (d) reduce the ramifications of an immoral system of a totalitarian bureaucracy which hampers, inhibits, prohibits, and frustrates every effort of honest endeavour by those who know how in their own particular sphere, to get to work to clear up the sorry mess our once-splendid nation is in to-day; (e) bring home to men and women of Britain that freedom from fear and want can only come to a nation that recognises the providential Fatherhood of God in the Brotherhood of Man and realises that behind things temporal stand things eternal."

Mr. F. C. R. Douglas, M.P., who has been a member of the London County Council since 1934, and for the past six years Chairman of its Finance Committee, did not stand for re-election at the elections in March. His retreat is occasioned by the increasing pressure of his Parliamentary duties.

Codnor, Derbyshire, will have a reader of *Land & Liberty* as a candidate for the Heanor U.D.C. (Codnor Ward). He is Mr. T. W. Amos who at his adoption meeting declared his whole-hearted adherence to the policy of Land Value Rating. Mr. Amos is the nominee of the local Labour Party. He has received pledges of support from the Ripley Co-operative Society and Co-operative Party.

The economic class at Waingroves, Derbyshire, conducted by Mr. G. Musson, resumed during the week beginning March 18, after having been interrupted by illness. Mr. F. Grace, who is associated with it, addressed the Ripley Co-op Women's Guild in February and good reports are to hand of the impression made.

Meetings addressed by members of the Manchester Land Values League include Weaste Co-operative Guild, Mrs. Catterall; Woman

for Westminster. A. H. Weller; Sale Discussion Group, E. F. MacClafferty. At the Cloughfold Youth Centre Mr. J. D. Slater opened a discussion on "A Scientific Approach to Economics." He has been asked to plan a special course at the day-school for school leavers, which would include a simple course on economics. He writes: "If young people are introduced to basic principles they will have a good foundation on which to build when they examine social problems in later life."

The *Clitheroe Advertiser* recently reported a local Conservative Brains Trust meeting at which the following question was asked: "If, through a building programme, land is increased in value, should the landowner reap the benefit?" The answer, if any, was not reported.

A letter written by A. H. Weller, entitled "Freedom in Industry," was printed in Stockport's Conservative weekly, the *Stockport Advertiser*, of March 1.

Mr. F. Bentley, who has come to Manchester from Yorkshire, is a welcome accession to the Manchester League and he has been unanimously elected a member of the Committee.

HAROLD B. HOBSON

The death of Mr. H. B. Hobson, which occurred after a brief illness, on February 13 was a shock to his many friends. As a young man recently settled in Manchester he one day listened to an address on Land Values Taxation at an open-air meeting in Moss Side, and afterwards introduced himself to the writer. From that day in 1912 until his death he was a faithful friend and helper of the workers in the Henry George movement in Manchester. Perhaps his most outstanding service to the movement was in providing an annual reunion at his residence in the form of a garden party, which began in 1919 and continuing until last summer, always gave great pleasure to his guests. At his home he was the same big-hearted, friendly person who had come to Manchester nearly forty years earlier. His love of argument led him, in discussion, to oppose even people with whom he was in agreement. Being always "agin the government," both friends and opponents served as representatives of "government," sometimes to the bewilderment of his friends. This, however, did not lessen the affectionate esteem in which he was held by all who had the privilege of knowing and understanding him. Mr. Hobson was twice married, and in his generous attitude to his land-value friends he was loyally supported and encouraged at home. His widow is assured of sincere sympathy in her bereavement.

A. H. W.

The Yorkshire Land Values League has successfully approached many Rotary Clubs and these columns have reported many meetings with them. Mr. Ashley Mitchell spoke to the Goole Rotary on February 20. Circulars sent to the remaining Rotary Clubs in the Yorkshire and Northern area not yet addressed by the League's speakers have resulted in two further engagements being booked, viz., Hull and Bridlington.

The eight winter session classes of the Henry George School of Social Science in the Merseyside area have now reached Books IV and V of "Progress and Poverty." A new Birkenhead class was opened for a senior youths group of the Birkenhead Co-operative Society on Monday, February 25, at 56, Park Road South, Birkenhead. Miss McGovern is conducting this class, which makes her second weekly class in that town. Efforts are also being made to interest organisations in the area to form more classes. Requests for particulars and offers of voluntary help in advancing this educational work should be addressed to E. J. McManus, 13, Norton Street, Liverpool, 3.

The two economic classes organised by Mr. E. A. Bryan in Carlton-in-Lindrick and Langold are progressing satisfactorily. Eighteen students are attending. Those who because of shift-work, etc., cannot come one evening manage to attend the other. An episode in the discussions was a Communist assertion that there

was no rent in a Communist state which was answered by the request to consult the first article in the Communist manifesto. The allegation is also well set at rest in Sir John Maynard's book *The Russian Peasant* which "D.J.O." reviewed at some length in our issue of April, 1945. There was also a useful discussion of the matter in a special article *Russian Lessons* in LAND & LIBERTY of August, 1934. Unfortunately these issues of LAND & LIBERTY are out of print.

In Cardiff, Mr. W. B. Birmingham, Lecturer in Economics in the University College of South Wales and Monmouthshire, has agreed to lead a class for the study of Political Economy. The hon. secretary of the Welsh League for the Taxation of Land Values and Mr. D. G. Taylor have discussed arrangements with Mr. Birmingham and the collaboration of members of the League will be sought at the forthcoming annual meeting. Mr. Birmingham is young and enthusiastic and has been associated with Dr. Taylor in local discussions on political and economic questions in connection with the "Religion and Life" Week.

YOUR SUPPORT

The United Committee for the Taxation of Land Values Ltd. (publishers of LAND & LIBERTY, postal subscription 4s. or \$1. from U.S.A. and Canada), the International Union for Land Value Taxation and Free Trade, and the Leagues listed below are maintained by the voluntary support of those who believe in and would seek to advance the principle and policy which the Committee, the Union and the Leagues advocate: Land Value Taxation and Free Trade in its fullness, with removal of the tax burdens on industry and abolition of all monopolies and special privileges that interfere with the production of wealth and prevent its just distribution. Donations in aid of campaign funds will be allocated as desired among any of the associations named.

Cheques may be made payable to "Land & Liberty," 4, Great Smith Street, London, S.W.1. Friends in the U.S.A. and Canada can contribute through the Robert Schalkenbach Foundation, 48-50, East 69th Street, New York, in which case they should name "Land & Liberty" and make cheques, etc., payable to the Foundation.

ADDRESSES

At 4, Great Smith Street, London, S.W.1. Telephone, Abbey 6665: *United Committee for the Taxation of Land Values Ltd.*, A. W. Madsen (Secretary), F. C. R. Douglas (Assistant Secretary); *Henry George Foundation* (Publishing Department); *International Union for Land Value Taxation and Free Trade*, Ashley Mitchell (Treasurer); *English League*, Fredk. Verinder (Secretary); *Henry George School of Social Science*.

Yorkshire League: Howard Binns and Percy Roberts (Hon. Secretaries), F. Bentley (Organising Secretary), 129, Skipton Road, Keighley; *Manchester League*, A. H. Weller (Secretary), The Dingle, Chester Road, Hazel Grove, nr. Manchester. Mrs. F. G. Sumner, Oakside, Mitton Road, Whalley, Lancs; Albert Brown, White Broom, Oughtlington, nr. Warrington; *Henry George Freedom League*, Wm. Reid (Secretary), 9, Woodside Crescent, Glasgow, C.3; *Welsh League*, E. A. Davies (Hon. Sec.), 27, Park Place, Cardiff (Phone 1563) and I. T. Rees (Hon. Organising Sec.), 2, Southey Street, Cardiff; *Midland League*, John Rush (Hon. Sec.), 90, Soho Street, Smethwick, Staffs; *Liverpool League*, Miss N. McGovern (Hon. Correspondence Sec.), 74, Osmaston Road, Prenton, Birkenhead; *Henry George School of Social Science, Liverpool*, E. J. McManus (Secretary), 13, Norton Street, Liverpool, 3; *Crosby Henry George Fellowship*, C. C. Paton (Hon. Sec.), 11, Tudor Road, Liverpool, 23; *Portsmouth League*, H. R. Lee (Hon. Sec.), 13, Lawrence Road, Southsea; *Derbyshire League*, G. Musson (Hon. Sec.), 29, Denby Lane, Codnor; *Edinburgh League*, A. Davis (Acting Hon. Sec.), 8, Kirkhill Terrace, Edinburgh, 9; *Castle Douglas Henry George Fellowship*, Mrs. Margaret McCall, 88, King Street, Castle Douglas, Kirkcudbrightshire; *Highland League*, I. Mackenzie (Hon. Sec.), Queensgate Arcade, Inverness.