

# LAND & LIBERTY

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The Government's Peace Aims—International Law and Economic Relations—Hungary betrayed by its Landlords—Chinese Land Reforms—Sharecropping in U.S.A.

## TOWN PLANNING AND LAND VALUES

Memorandum submitted by the Land Values Group of Members of Parliament to the Expert Committee on Compensation and Betterment appointed by the Minister of Works and Buildings

THE OBJECT of town planning is to produce an environment which is convenient and agreeable for residence, commerce and industry. The means of achieving this is to regulate the use of land and in particular the situation and density of the buildings which are required for those purposes, and to provide adequate means of communication between the component parts of the planned area.

The object in view has evidently high economic value and this provides the main if not the only justification of any plan. On the other hand the plan cannot be carried out without considerable cost, and in order that it should be fully justified the values created must exceed the expense incurred.

### COSTS OF TOWN PLANNING

The costs of town planning fall almost entirely upon the authority carrying out the plan. They are (a) the price of property required for new and widened streets, public open spaces, and other public purposes, (b) the compensation payable to persons whose land is diminished in value, and (c) the expense of making roads and other works. In areas already built up the first two categories of costs are apt to be extremely high and in all areas they tend to be a deterrent to speedy and effective action.

The costs of town planning have usually to be incurred immediately and can only be deferred by slowing down the rate of execution of the plan.

### BENEFITS OF TOWN PLANNING

The benefits of town planning, as a rule, accrue slowly and imperceptibly. They may extend far beyond the area where the actual expense is incurred. They are blended with the effects of many other factors which affect values. In the result the

costs of town planning have hitherto been borne almost exclusively by public funds, that is to say by the ratepayers generally irrespective of whether or to what degree each of them was a beneficiary of the plan. This is a potent reason why the planning of built-up areas has made slow progress.

### MEETING COSTS OF TOWN PLANNING

From its inception there has been statutory recognition of the principle that those who benefit by town planning should contribute to the cost. In practice the operation of the betterment provisions has been found impracticable. There has been no general and official valuation of land to form a starting point for the assessment. The accretion of value often does not manifest itself within a short period of time. On the other hand, even if it were possible to defer the assessment for a considerable period, it would then become impossible to separate the result of the plan from other factors affecting the value of land and to say how much was due to each cause.

Nevertheless, if rapid and substantial progress is to be made, some means must be devised whereby at least a substantial part of the cost shall be met from the values affected.

The permanent economic effect of a successful plan is on the value of land. Some of the advantage may be intercepted temporarily by tenants but the shorter their tenancies the more rapidly will any economically tangible benefit be absorbed into the rents which they pay, while lessees on long leases are often in effect partners with the ground landlord in the land value until the lease expires.

As it is in the value of land that the permanent benefit of town planning crystallizes, it is the value of land which should defray the costs.

### INCREMENT TAX

The suggestion has been made that an increment tax should be levied upon increases in the value of land. When attention is concentrated upon cases where land has been sold at much increased values shortly after public improvements have been carried out, the idea of an increment tax is plausible and attractive as a means of diverting part of the profit from the pocket of the fortunate owner to the public purse. In practice the matter is not so simple. It is only a small fraction of land which is sold in any year. If the assessment and collection of the tax is to wait until the land is sold, many years must elapse before the planning authority receives any substantial revenue. Much land belongs to companies and other corporations which *never die* and *may never sell* (and so provide no occasion for assessment). In any case an owner does not require to sell in order to reap a profit; he may do so by letting the land or by using it himself.

Any effective system of increment taxation would, therefore, need to be based not upon increases of value actually realized by sale but upon periodical valuations of all land. The valuation would require to be of the value of the land disregarding the buildings and other improvements as it would be fallacious to include in the assessment any value which was due to expenditure on improving the land.

Even upon this basis a tax on increments of land value would not be directly related to the betterment caused by the planning scheme, firstly because the increment of value might partly be due to other causes, and secondly because there might be a decrement of value due to other causes which nullified the increase due to planning.

### ACQUISITION OF LAND BEYOND IMMEDIATE NEEDS

The matters last referred to are material to the consideration of another suggestion which is sometimes made, namely, that the planning authority in order to make sure of the increment of value due to planning should acquire wide areas of land far beyond those needed for road widening, provision of open spaces or other purposes for which the actual ownership of land by the authority is necessary. This proposal has the disadvantage that there is no boundary which can be drawn where the benefits are exhausted short of the whole area affected by the plan. The initial capital expenditure would be enormous. The acquisition would have to include not merely the land itself but also the improvements on the land and would have to extend not merely to the freehold but also to long leases if not to all interests. Not only would the capital expenditure be great but it would be impossible to control effectively the price to be paid in the absence of any pre-existing valuation. The price would inevitably include speculative or anticipatory values which had already registered themselves in market values. The probability of the transaction being financially remunerative within any reasonable time is comparatively slight. During

any long period new factors might emerge which would upset all present expectations; in particular, if certain estimates of the probable future trend of population should even partly be fulfilled, it may be that the decline of values due to diminution of population would more than outweigh any increase in value due to technological and other economic progress. The public purse should not as an incident of planning be burdened with a speculation so vast and so uncertain.

### RATES AND TAXES

Sometimes also it is suggested that in the long run planning will result in increased valuations for rating or for income tax, Schedule A, and that thereby increased revenues will accrue to the authorities concerned which will pay for the expenses which they incur. This argument has a formal appearance of truth subject to the fact that it is based upon the assumption that population trends or other factors will not interfere with normal increases of value. But it contains a serious fallacy, for it involves the postulate that existing taxes, such as local rates, fall upon the owners of land values. Local rates are in fact an impost upon occupiers of immovable property. It may be argued that in the long run a part of the local rates is shifted back upon lessors and owners of land values, but such shifting must be very slow, partial and irregular. A considerable body of economic opinion does not accept the theory of shifting, and for this reference may be made to the opinions of economists obtained by the Royal Commission on Local Taxation and published in 1899 (C.9528). (A summary of these is given in "Land Value Rating," by F. C. R. Douglas, Hogarth Press, 1936.) The increase of rateable value which may be brought about by planning is the immediate consequence of an increase of rent or annual value secured by the owner of the property. Where the owner and the occupier are different persons, the increase of rateable value accrues as a result of an increase in value already obtained by the landlord, whereas the increased rate has to be paid by the tenant. The person who reaps the major benefit escapes contribution. Hence, although planning may result eventually in increased rateable values, to defray the cost by rates levied on the existing system does not meet the equities of the situation because it imposes the burden upon the wrong shoulders.

### RATE ON SITE VALUES

None the less it remains a fact that the major economic benefit of planning is registered in increase of land values (or prevention of decrease). Such values should, therefore, contribute to the costs involved. The only simple and effective method by which this can be secured is to levy a rate on the site value of the whole area. The main objection which could be urged against this proposal is that owners who gained little from the plan would be obliged to pay on their pre-existing values. On the other hand it must be remembered that a new town plan is still merely a continuation and adapta-

tion of an existing, although imperfect, plan. In an established community there are already streets and open spaces, houses and other buildings conforming to existing by-laws, services of sanitation, water, lighting, fire brigade and all the other public services which are required in order that urban civilization may exist at all. If there are some landowners who do not gain by the new plan, they do gain by the existing plan and the public services which accompany it, the continued maintenance of which is the essential condition for the maintenance of those land values. If, therefore, they are required to contribute, even belatedly, they are not contributing for the advantages which they have already received but merely for the advantages which they will continue to receive in the future. Moreover, as replanning continues, more and more of the area will be affected and it becomes meaningless to draw an arbitrary boundary at some point in time and to declare that the land values accrued up till that moment shall not contribute although their future existence depends upon what is done after that time.

Such a race over the whole area was advocated many years ago by the late Professor Alfred Marshall, and described by him as a "fresh air rate," for the provision of more light and air was one of the aspects of planning upon which he laid stress.

#### LAND VALUATION

The imposition of such a rate would necessitate a valuation of all the land affected. Such a valuation is in any event necessary in order to impose some control over the prices of lands which have to be acquired by the planning authority. Conversely, it is difficult to establish a satisfactory valuation if it is intended merely to be used as a guide for fixing the price of such land as may be acquired by public authorities; whereas if it is intended to be a basis of taxation, either local or national, owners are not likely to endeavour to have excessive prices established in the valuation roll. The valuation should show the value of the land itself, disregarding the improvements. It should be arranged on a topographical basis showing in proximity the value of plots which are adjacent to one another. It should also be recorded in a register which is open to public inspection. These three conditions will establish the uniformity and relativity of the valuation, and are necessary to secure accuracy. The practical technique of valuation of land value has now been well developed in various parts of the world. In New York, for example, such a valuation has been made yearly for the last 35 years. In Denmark it has been made since 1916 at intervals of not more than five years, and the valuation has included not merely urban and suburban land but all land. These valuations are supported by maps which show the unit values used as a basis of the valuation.

The cost of making a valuation and the time required to make it are of some importance. As to cost, the Memorandum prefaced to the Finance Bill, 1931, estimated the cost of making the valuation for the purposes of the land value tax proposed,

at between £1,000,000 and £1,500,000. The first valuation would naturally be the most expensive, and a large part of the expense in making a cadastral survey and the necessary registers would be in the nature of a capital outlay which would be available for use on future occasions. The cost of subsequent valuations should, therefore, be much less. Even the cost of the initial valuation is small relatively to the large sums which are involved in replanning. For example it was estimated in the Bressey Report that the cost of road widenings in London might be of the order of one million pounds per mile, and the major part of this is clearly for property acquired and not for works. No argument is needed to demonstrate that if the valuation resulted in substantial savings in purchase price or compensation it would very quickly pay for itself. Its cost would be all the more justified if it were made the basis of a rate assessed on the land value to meet the cost of the planning operations.

The time that the preparation of such a valuation would require would very largely be determined by the way in which it was organised, the staff available to make it, and the time granted to owners to lodge any appeals. The time allowed for appeal is not of the first importance as the result of the appeal would no doubt be made retrospective to the valuation date. Erroneous ideas of the difficulty of such a valuation have gained currency from the experience of the Finance Act of 1909-10. This measure was extremely badly drafted and suffered from attempting to reconcile conflicting ideas with the result that in many cases four values had to be ascertained and no one of them was the site value. The experience of other countries where the legislation has taken a simple and clear-cut form indicates that there is no inherent difficulty in the valuation and it could certainly be completed within a very short time.

#### COMPENSATION

The difficulties confronting public authorities desiring to acquire land are well known. The method of assessing compensation becomes a species of litigation in which the value of the land concerned is considered as it were in a vacuum separated from any fixed standards of value. The result is that the compensation awarded is usually far in excess of what could be realized in any normal commercial transaction. It does not seem possible to escape from this result by any modification of existing procedure, and the only way of preserving relative equality between the price paid for public acquisition and the value of other land is by a *general valuation which is a basis for taxation as well as for acquisition.*

#### SPECULATION

The idea has been thrown out that speculative values can be eliminated by basing the price of land required for planning on its pre-war value. To do so would still require a general valuation if the payment of excessive prices is to be avoided. Moreover, it is inherently unfair that an owner

whose land is required for public purposes should be paid a pre-war value while a neighbouring owner whose land may benefit is free to sell at a post-war value. The logical conclusion would be that no one should be allowed to sell at more than a pre-war value, and this would immediately involve that every private transaction would become the subject of public control or of arbitration. The disinclination to enter into perfectly reasonable and indeed necessary transactions which would arise from this is obvious. Building and other activities within the frame-work of the plan should not be discouraged, but rather encouraged. The suggested rate on site values to pay for the cost of planning operations would have a distinct effect in deterring owners from holding land idle for merely speculative purposes. This would be a more effective preventive of speculation than the threat that land needed for public purposes would be bought at a pre-war value.

#### RATING BILL

A modern precedent of a Bill for a rate on site values is to be found in the London Rating (Site Values) Bill introduced in the session 1938-39 by the London County Council, and this could easily

### WHERE THE LANDLORDS BACKED THE NAZIS

#### Count Karolyi on the Betrayal of Hungary

THE SINISTER forces that are opposed to freedom and democracy are strikingly disclosed by Count Michael Karolyi in a letter to the *Manchester Guardian*, 13th June. Count Karolyi former leader of a radical democratic party became Prime Minister in October, 1918, and afterwards President of the Hungarian Republic in January, 1919, before the counter-revolution triumphed. He writes:—

"Hitler is master of Hungary to-day owing to the treacherous consent of its Regent, Admiral Horthy. But Admiral Horthy is not Hungary. Horthy only represents a small minority, the ruling gentry. He rose to power as the safeguard of the Habsburg Monarchy, but kept his position as protector of the interests of the big landowners. He was the first to introduce Fascist methods so as to keep the country immune from the dangers of a democratic spirit, from social reform, and political freedom. As a matter of fact, Hungary was the first 'Fascist' State, before the world had heard about Mussolini or Hitler. . . ."

"The official policy of the Hungarian ruling class of men like Counts Tisza, Andrássy, and Apponyi, was to support whole-heartedly German militarism. Their successors—Bethlen, Horthy, Teleki—would not consider any other policy than to follow in the wake of Germany. The obvious reason for this was that the Hungarian landlords always needed the help of Germany to carry on successfully their reactionary policy. At first it was the Habsburgs and Austria, later the Hohen-zollerns and Germany, to-day Hitler and Nazism, which offered them that security. In the past not only the national minorities, the Slovaks, Rumanians, and Serbs, but also the Hungarian peasantry had to be kept down with the aid of Vienna and Berlin.

"It certainly was a most vital question to the landed aristocracy that its 'status quo' should not be tampered with. For, to prove the power of this class, it is enough to mention that 36 big landowners' estates amounted to

be adapted to accord with the slightly differing practice of rating outside the Metropolis.

#### RECOMMENDATIONS

It is, therefore, submitted that:—

(1) The existing provisions for assessment of betterment are ineffective, and the inherent difficulties make it impossible to devise a much more effective procedure.

(2) The economic benefits of planning past and present and of the public services which are its necessary accompaniment are diffused over the whole area in the form of land value.

(3) The costs of town planning should, therefore, be met by a rate on the site value of all land in the area.

(4) This would necessitate the making of a valuation and its revision at suitable intervals.

(5) The valuation would provide an effective and necessary check upon excessive claims for price of land purchased or for compensation for land adversely affected.

(6) There are no serious difficulties in carrying out these proposals, and to do so would greatly reduce the obstacles that large-scale and rapid planning would otherwise meet with.

1,000,000 acres, while, on the other hand, 950,000 acres were divided between 1,200,000 small landowners.

"In order to show to what extent Hungary is anti-democratic and anti-social one has only to mention that the land reform realized under Horthy's Regency assigned only 500,000 acres, while during the same period Rumania, which was far from being a Radical or Socialist State, distributed 7,000,000 acres for the same purpose. While the big landowners paid 10 pengos (3s. 9d.) tax for one acre, small property was taxed at the rate of 16 pengos per acre.

"The misery in Hungary has lately taken on fantastic proportions. That this is not an overstatement is clearly shown by the violent controversy and press campaign carried on between the Opposition and the Government about the number of beggars in the country. The Opposition insisted upon 4,000,000, while the Government argued that there were only 'the irrelevant number' of 3,000,000. The population of Hungary at that time was about 8,500,000. In the year 1936 the income of a farm worker's family of three was sixteen pounds—not even in cash, but in kind (a feudal relic). This works out at about £3 4s. per person per year—2d. per day.

"As a reward for stabbing his neighbours, and his ally Yugo-Slavia in the back Horthy secured parts of Transylvania, Slovakia, and recently the Banat. But these presents had their price, and the price was a very dear one. It was the independence of the whole of Hungary. The country had to pay for having saved the interests of its landlords. The truth of this has been tragically demonstrated by the fate of Count Teleki, who when he realized where his policy had led the country committed suicide.

"All Hungarians living outside Hungary (also those inside if they have the courage) have to take up the struggle for the freedom of their country not only against Hitler but also against the Hungarian Quislings,

the Regent of Hungary. Hungarian foreign policy must be based on entirely new foundations, for Hungary's problem is that of Eastern Europe and unsolved will always remain a nest of explosives for future wars. . . .

"The Magyars have to choose between two paths. The first would be to follow Horthy and the traditional policy of the landowners which attaches them to the trail of German Imperialism. This is a most dangerous path, as the victory to which Horthy is contributing is not in Hungary's interest. In spite of the fact that it would enlarge Hungarian territory, Hungary would become a German colony, merely used as a passage to

the Near East to satisfy Hitler's 'Drang nach Osten.' The only 'advantage' would be the security of the big estates. The other path to choose is sincere collaboration with the Slavs, a democratic land reform, and a social and progressive policy. Britain has to choose also. If, as all down-trodden people of the Continent believe, she is fighting for democracy she has to back up that new Hungary which will be the Hungary of to-morrow—those millions who by tradition were always the enemies of German reaction and who at last yearn to live in peace with their neighbours and create a Federation of the Danubian Countries."

## "SHARECROPPERS"

### A Social Problem of the United States

The AMERICAN Baptist magazine *Missions*, published in Concord, contains an article by Mr Mark A. Dawber, general secretary of the Home Missions Council of North America, on the dispossessed "sharecroppers" and very-low-income farm tenants, who form a social problem in the United States. They have been displaced by the increased use of farm machinery and cheap day labour. They have been driven off the land and compelled to wander about the country looking for food and shelter. Some of them migrate to cities and towns, where they swell the relief rolls or threaten the standards of life of city workers, some go back to the sub-standard rural areas, and thousands have become migratory workers seeking employment as casual farm labourers.

Following are brief extracts from Mr Dawber's article :—

"The Government programme for the reduction of cotton acreage has wrought havoc in the lives of the sharecroppers. From the point of view of world markets it was well intentioned and necessary, but it has resulted in a programme that robs Peter to pay Paul. The big farmers and the landowners, the insurance companies, and the large holding corporations get most of the benefits, while the rights and needs of tenants, sharecroppers, and day labourers are virtually disregarded. Reduction of crops has meant eviction, unemployment and the loss of whatever meagre security the worn-out land provided.

"Approximately 9,000,000 American citizens fall into this category of farm labour. Many people are accustomed to think of the sharecropper situation as a 'negro problem,' but such is not the case by any means. It is true that negroes were the first victims of this arrangement, which grew out of conditions following the Civil War. But to-day they represent only 44 per cent of the 1,831,000 sharecropper families as estimated in the 'Report on Economic Conditions of the South.' The remaining 56 per cent are whites.

"The sharecroppers' life at best is little beyond back-breaking toil in the cotton fields from sun-up to sun-down. Their very existence is dependent upon the whims of the cotton market and the self-interest of the landowner. The weekly income for an entire family is as little as \$4. Some estimates have placed the sharecropper's income as low as 10 cents a day.

"For decades they have lived as virtual slaves in a free country. Their homes, if such they can be called, are unpainted one-room or two-room shacks, where often a family of eight or ten people must live, eat, sleep, and give birth to children. Few have any sanitary conveniences or outbuildings of any kind. Cotton is planted up to the cabin door, leaving no room for vegetables, fruit, or live stock. For food the sharecroppers depend upon the three M's—meal, molasses,

and side meat. They are easy prey to tuberculosis, pellagra, and malaria. They share the cash return on the crop in theory only, for many of them seldom see cash. Each year they find that they have fallen deeper in debt to the landlord. Having no claim on the land, they have little incentive for improvement.

"The sharecroppers' educational opportunity is limited. Tending crops is their paramount function in life, and in some places schools are open only four months of the year. If the sharecroppers cannot read or write they are at the mercy of the landlord in estimating their return on the crop.

"The conditions that have been described also result in the sharecropper's being deprived of his rights as a citizen. The lack of cash income makes it virtually impossible for him to pay the poll tax, which in eight Southern States is a prerequisite for voting. Excluded from all benefits which industrial workers enjoy through social security and other labour legislation, the sharecroppers are truly democracy's forgotten men, women and children."

Reprinted from the *Manchester Guardian*, 22nd April.

### IN AMERICA ALSO

The *St Louis Globe-Democrat* of 23rd February reports that some land owners near Weldon Springs, who sold their property to the War Department for the site of the T.N.T. plant, received from two to three times the assessed valuation of the land. The records of the St Charles County Collector show that Birch O. Mahaffey, who owned 165 acres overlooking the Missouri River, was paid \$41,441 for the tract, which had an assessed valuation of \$1,570. The County Collector said that the assessed value of land in the county for tax purposes is 35 to 40 per cent of the actual valuation. Of the 16,000 acres that are being acquired, he said, the assessed value was estimated at \$350,000, whereas the actual value was approximately \$1,000,000. On the other hand, so the *St Louis Globe-Democrat* declares, Mr R. McDowell of Kansas City, Contractor, who has been allowed fees of 5 per cent by the Government on the total purchase price, in making his first estimate of what it would cost the Government to acquire the site, placed the cost at \$2,000,000 to \$3,000,000.

Mr J. E. Bruton, B.Sc.(Econ.), is editor of the page "For and Against," in Pitman's journal, *Business Education*. In the April issue his "Mr Pro" and "Mr Con" argue respectively for and against the Taxation of Land Values, and the arguments on both sides are very fairly put. In this contribution Mr Bruton has certainly succeeded in giving his readers good business education, and we judge that his letter-bag will have many enquiries for more information on the subject.



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Editor : A. W. Madsen

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Telegrams :

Enlav, Part, London.

Telephone :  
Abbey 6665

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### THE GOVERNMENT'S PEACE AIMS.

AT A CONFERENCE of the British and Allied Governments held in London on 12th June a declaration was adopted pledging them to continue the struggle until victory was won and free peoples released from coercion and affirming "that the only true basis of enduring peace is the willing co-operation of free peoples in a world in which, relieved of the menace of aggression, all may enjoy economic and social security; and that it is their intention to work together, and with other free peoples, both in war and peace to this end."

This declaration is worded in terms of extreme generality and vagueness and much must depend upon the way in which it is interpreted, but it is welcome and encouraging. Some light on the meaning put upon it by our own government may be gathered from the speech of Mr Eden, the Foreign Secretary, at the Mansion House on 29th May. He said that social security would be our policy at home and abroad. "It will be our wish to work with others to prevent the starvation of the post-armistice period, the currency disorders throughout Europe, and the wide fluctuations of employment, markets and prices which were the cause of so much misery in the twenty years between the two wars. We shall seek to achieve this in ways which will interfere as little as possible with the proper liberty of each country over its own economic fortunes."

Referring to conditions immediately after the war Mr Eden said : "Continental Europe will end this war starved and bankrupt of all the foods and raw materials which she was accustomed to obtain from the rest of the world. . . . Wasteful war-time cultivations in many lands will leave agriculture almost as weak as industry." He referred to the storage of stocks of food and materials overseas which were being accumulated to help the transition to peaceful activities, and indicated the permanent objective in these words : "When peace comes we shall make such relaxations of our war-time financial arrangements as will permit the revival of international trade on the widest possible basis. We shall hope to see the development of a system of international exchange in which the trading of goods and services will be the central feature."

After referring to the economic resources commanded by the free nations of America, the Dominions and ourselves, he added : "What is perhaps more important, these nations clearly have the will and the intention to evolve a post-war order which seeks no selfish national advantage; an order where each member of the family shall realize its own character and perfect its own gifts in liberty of conscience and person. We have learnt the lesson of the interregnum between the two wars. We know that no escape can be found from the curse which has been lying on Europe except by creating and preserving economic health in every country."

This is a notable statement, finely expressed. Unless

its meaning is whittled away by captious interpretation it is a declaration in favour of freedom of trade between nations, in favour of the abolition of the tariffs, quotas, and exchange restrictions which have destroyed the unity of the world, have turned national frontiers into trade barriers, and have set nation against nation. Liberally interpreted it should mean more than that. The argument implicit in it is that the natural resources of the world should be made equally available for all mankind, and that not merely by throwing down the hindrances to trade which obstruct the transfer of raw materials and manufactured goods from place to place but by breaking down the barriers which prevent men from gaining access upon equal terms to the land from which those materials alone can be produced. It is not enough to say to men : you can freely exchange goods, unless we also say that no man shall hold up against the needs of other men the land which is the only means of producing them.

In breaking down land monopoly within each country we shall alone complete that economic freedom of which free trade is part. Whatever the obstacles and difficulties, that is the object which must be held in view and striven for. Without it freedom of trade is not likely to be attained, for the state needs revenue to carry on its functions; if it ceases to obtain revenue from protective tariffs and other oppressive taxation it must find revenue elsewhere; and the taking of the economic rent of land for public purposes will at the same time provide the revenue which the state requires and break down the barriers of land monopoly which obstruct and prevent the production of wealth.

Although the struggle is far from ended, the more clearly it is expressed that we have no selfish end in view but only the liberty and welfare of the common man in every land, the more surely shall we rally to our cause men of good will everywhere and not least in those lands which are groaning under tyranny and oppression.

The destruction of our former offices necessitated the suspension of our June issue, and the present one is a double number for June-July.

The evils that begin to appear spring from the fact that the application of intelligence to social affairs has not kept pace with the application of intelligence to individual needs and material ends. Natural science strides forward but political science lags. With all our progress in the arts which produce wealth, we have made no progress in securing its equitable distribution.

HENRY GEORGE in *Social Problems*.

The progress of civilization requires that more and more intelligence be devoted to social affairs, and this not the intelligence of the few, but that of the many. We cannot safely leave politics to politicians, or political economy to college professors. The people themselves must think, because the people alone can act.

HENRY GEORGE in *Social Problems*.

Work is not an end but a means; manifestly, there can be no real scarcity of work, which is but the means of satisfying material wants, until human wants are all satisfied.

HENRY GEORGE in *Social Problems*.

#### A SPECIAL REQUEST

Our loss in the recent disaster included the back numbers of "Land & Liberty." Readers who can spare their copies will do a great service by sending them to us. Specially wanted are the issues of recent months. Note our new address : 4, Great Smith Street, Westminster, London, S.W.1. Telephone : Abbey 6665.

## INTERNATIONAL LAW AND ORDER

MANY ADJUSTMENTS must yet be made in order that peace between nations may be placed upon a secure and firm foundation. It is common ground that they must subject themselves to rules which will preserve justice and equality. This is implicit in the idea of a league of nations or in proposals for federal union. The topic invites a reconsideration of the nature of international law and of the principles to which its rules should conform, and it is to that enquiry which Mr Jackson H. Ralston has addressed himself in his latest book\*. His long experience as an advocate, and as a judge in the practice of domestic law as well as in the capacity of an arbitrator in international disputes well fits him for this task. He surveys the nature of law in general and of international law in particular and the main subjects with which international law is concerned. His work is both critical and constructive, and is animated by the belief that, as men have created the causes of strife, so men can bring about the conditions which will make for peace.

The two principles which form the starting point of the enquiry are that the true concern of all law, whether national or international, is the welfare of individuals and that the object of law is to guide men in accordance with moral principles. The state has been regarded by writers on the law of nations as the entity with which they are concerned, but the state is only a concourse of individuals organized for certain purposes. So far as international law has an effect it is in the end upon the men and women who constitute the society. The state is not a moral entity. The state cannot have rights in morals which contravene the rights of individuals whether members of that state or of another state.

What used to be called "the formal science of positive law" was concerned merely to analyse laws as they existed without regard to their justification; it was concerned with law as a rule forcibly imposed. The modern emphasis is shifted to the content of the rule of law, and to the question whether it is a rule of right. Mr Ralston quotes Krabbe's remark in *The Modern Idea of the State*: "Constraint is justified by the necessity of maintaining the law, but it can never bestow legal quality upon a rule which lacks it. Mere force, whether organized as in the state or unorganized as in an insurrection or revolution, can never give to a rule that ethical element which belongs essentially to a rule of law."

The assumption that the state is an entity which is higher and more important than man instead of being merely the instrument of man is the source of many errors and false doctrines. This is so both in national and in international relations. Within the nation it leads to totalitarian ideologies which inculcate blind submission and obedience to a caucus which controls the state, to loss of liberty and initiative, to exploitation, and ultimately to stagnation, retrogression, and ruin both of state and people. In international relations it has similar consequences. Might is substituted for right. The strong nation demands special privileges for its citizens who choose to live within the jurisdiction of another nation. It thus impinges upon the sovereignty of the weaker nation. Although the equality of states and their absolute independence are the theoretical basis of the current systems of international law, in practice that equality is not acted upon or respected. It necessitates that states should bind themselves to

practise and to be judged by uniform rules. But the strong states refuse to abide by judicial process in regard to what are designated as "national" or "vital" interests. They insist upon arrogating to themselves the right to judge their own cause, and so they withdraw from international tribunals or from arbitration the very questions which give rise to war.

Against all this Mr Ralston puts forward the view that the validity of international law depends upon how it treats the individual, and that it must deal equally with all individuals, no matter of what state they are citizens. He agrees with Krabbe that "International law is distinguished from national law not in respect of its origin and foundation, but in respect of the extent of the community to which its commands apply. And the incomplete and less perfect character of International Law does not lie in the fact that it rules over 'sovereign' states and is therefore rooted in the will of these states. It lies rather in the defective organization of the sense of right which tends to regulate the community of civilized nations."

The most important relations between nations, or rather between the citizens of various nations, are those relating to trade and production. It is in wrong rules of law relating to these that the source of most international conflicts is to be found. In times of peace nations obstruct the trade of themselves and their neighbours.

"Presuming, stupidly enough and contrary to the fact, that we can benefit ourselves by increasing the cost of commodities which, in the absence of artificial restraint, would be obtained most cheaply in other countries, we restrict our international trade by taxes, called 'protective,' upon importation, and in so doing limit our pacific intercourse with our neighbours. When we adopt a protective tariff we say that we do not care to trade with them except under hampering conditions. Perhaps we tell them that their labour is pauperized and at the same moment pauperize it still more by refusal to trade. Insult and injury go hand in hand."

A particular illustration of the disturbance caused by restrictions upon trade is found in the insistence of many inland nations upon the necessity of having access to the sea, because having that they have a wide choice of markets in which to buy or sell goods without passing through customs barriers to reach the sea. The cry for access to raw materials is in part due to the same cause. The classic example of the benefits of freedom of trade within a large area is the United States. Mr Ralston asks: "Is there a citizen of Vermont who is distressed over the fact that Vermont has no immediate access within their own jurisdiction to the Atlantic Ocean? Would any denizen of New Hampshire be willing to fight, supposing it otherwise feasible, against citizens of Pennsylvania because of a desire to obtain for his state direct control over beds of coal and iron? . . . This American peace is not due to the fact that we have a common executive, a Congress, and a Supreme Court, useful as all of these instrumentalities may be. It exists because any citizen of the United States equally with any other citizen has a right in perfect freedom to pass state borders with all his family and property; to import and export from place to place within the limits of the United States any sort of property he pleases without hindrance from any state authority; to gain access to and from the seas without any local interference whatsoever."

Let us ask ourselves in all seriousness: if these conditions had not existed, could the United States have continued to hold together merely by reason of the

\* *A Quest for International Order.* By JACKSON H. RALSTON. John Byrne and Company, Washington, D.C., U.S.A. Price \$2.

fact that it has a Congress and a Supreme Court? And if we answer this question in the negative, how can we expect to maintain peace between nations which do not give the same freedom to one another's citizens?

Restrictions upon trade may take other forms than tariffs, quotas, export duties, and other interferences with exchange. They may arise also from the monopoly of natural resources. In colonies, protectorates, or other controlled territories, the controlling power may allow some of its nationals to acquire large tracts of land which are the source of minerals or other raw materials. They are thus placed in a position of great power and profit, and are able to levy a toll of rent upon the citizens both of their own and of other countries. In this case, as in the case of tariffs and other trade restrictions, we see that the injury is done to the citizens both of the country which is supposed to profit by the practice and of other countries.

The injurious effect of land monopoly (as of protectionism) arises from the defects of national law, not from the defects of international law; but it is capable of poisoning international relations. So we come back to the fundamental point that the concern of law, whether national or international, must be with the individual. To quote Mr Ralston again:—

"But what has International Law to do with all this? We start our theses with the assertion that the unit of International Law is not the nation but the common man. His welfare must be its chiefest concern. This demands equal share in all the gifts of nature and equal opportunity now denied him in the interior law of his nation. Still more emphatically is his well-being disregarded in the so-called law prevailing between nations. Real law cannot work in such fashion. There will be no true reform in International Law till this begins at the grass roots, as it is sometimes put. But conditions can be improved in the manners we have pointed out.

"We have discussed reform in this respect as lying within the field of colonial territories over which the world is struggling to-day. We have not touched the equally important field of resources within the States recognized as to-day organized and integral governments belonging to the society of nations. Of course, no world-wide reformation can be complete if this most important portion of mankind is ignored. As to this field, however, the individual states must answer the problem. The penalty, if they do not do so, is destruction of government as now organized, with some new and vastly different set-up being brought into existence."

Although its extreme detachment may at times be a little irritating to those who form part of embattled Europe, this is a valuable and careful study which deserves to be read. It is a piece of constructive reasoning which points to the solution of the problem of international order in amendments of both national and international law that will secure the equal liberty of movement of persons and goods across all frontiers, and the equal access of all men to the natural resources which should be the equal heritage of all as the only means by which they can live their lives.

A civilization which tends to concentrate wealth and power in the hands of a fortunate few, and to make of others mere human machines, must inevitably evolve anarchy and bring destruction. But a civilization is possible in which the poorest could have all the comforts and conveniences now enjoyed by the rich; in which prisons and almshouses would be needless, and charitable societies unthought of. Such a civilization only waits for the social intelligence that will adapt means to ends.

HENRY GEORGE in *Social Problems*.

## NO SCARCITY IN NEW GUINEA

THE CONDITION of labour in New Guinea is described by a missionary, the Rev Arthur Kent Chignell, B.A., in his book, *An Outpost in Papua* (John Murray), from which is taken the following extract:

"The New Guinea man, as I know him, does not overwork, since he is driven by no hard necessity to labour for another man's enrichment, nor hampered by the difficult circumstances of civilization. His wants are few and simple, and he has 'free access' to the sources at which these wants find easy satisfaction—a few hours' work each day will supply him with a good house and sufficient food and all the clothing that he needs in this gentle climate. In a *Review of Foreign Missions*, published by the United Boards of Missions of the Provinces of Canterbury and York, in 1908, I read that in the Anglican Mission in New Guinea, there are some hundreds of converts, and they are taught to work for their living. Was ever such nonsense? As if the native had ever done, or dreamed of doing, or ever had the chance to do anything else but 'work for his living.' There is not much that we can teach him in *that* line, for Mother Earth is most kind to him, and he has so exactly succeeded in 'adapting himself to his environment.'

"Everyone has enough, and perhaps a little to spare. He has plenty of business of his own to attend to, and there is no very obvious reason why he should of his own free will leave any of it to wait upon the foreigners. But granting that he does not work very hard at present, and that 'work' is a fine thing in itself (I am thinking of the sort of work that you and I do so steadily, because it is our pleasure or our duty, or simply because we cannot help it, rather than of the sort of work that the white man wants the Papuan to do), and supposing a considerable number of New Guinea men to be persuaded or compelled to work very hard indeed at some productive undertaking: for whose benefit is that work to be done? Hardly for his own, since his needs are already supplied by his own labour, and there is really no reason why he should work any more for himself than he does already. He could not eat any more, or live in more houses, and he would be worse off with more clothes than he has at present. Is he to work, then, for the benefit of the white man, whose social conditions certainly make him want all that he can get? There is plenty to be got in New Guinea, if we can only persuade someone to get it for us. In a few years, as the country gets opened up, and white men come here in crowds, attracted by the promising openings for enterprise and capital in an unused, fertile country where there seem to be plenty of 'hands,' there will inevitably be difficulties about land and about labour, and the white man will be irritated when he sees these natives apparently doing very little, and yet coolly refusing to labour for him.

"In the abstract, a little more work, and a little harder work, might not be bad for these copper-coloured friends of mine, but I do not want to see 'the lazy nigger made to work' (as the white man sometimes puts it) for the enriching of men who really do not care twopence about the native here—or hereafter; nor should I care to see my own countrymen attempt to teach the Papuan how to rearrange his times for work and play, and his methods, nearly perfect at present, of supplying the needs of himself and his family, until they have solved the problem of the unemployed in London and the rest of England, and the other problem of the loafers in Sydney and other parts of Australia."



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## WHY THE GERMAN REPUBLIC FELL AND OTHER STUDIES OF THE CAUSES AND CONSEQUENCES OF ECONOMIC INEQUALITY

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	THOUGHTS ON THE RIGHTS OF MAN
	XXVI. LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS.
	XXVII. THE RIGHT TO PROPERTY.
	THE WORLD OF TO-MORROW
	XXVIII. JUDGE SAMUEL SEABURY'S ADDRESS AT THE HENRY GEORGE CENTENARY CELEBRATION.

The contents are made up of original contributions and quoted matter appearing in our columns during the past eighteen months. Selected for this *Land and Liberty Book* have been the articles that have dealt more particularly with the economic causes of war and with economic freedom as the essential basis of social justice and a world at peace. By this production we are responding to numerous requests that articles of the kind should be issued in pamphlet form and be so circulated to a wider public ; but instead of a series of pamphlets the book-form was chosen as likely to achieve the purpose more effectively. The first-placed contribution, providing the main title is reprint of the articles by Mr Bruno Heilig which appeared in our February and March, 1941, issues and Chapter III entitled " Ancient Greece and Modern Europe " is the stirring New Year message by Mr F. Folke of Denmark, published by ourselves in January, 1941. The book is recommended as a symposium and theoretical as well as practical presentation of the views of that school of thought which, with Judge Samuel Seabury in his eloquent address, insists that " the contest is between the philosophy of dictatorship and the philosophy of freedom ; irrespective of the name we give our form of government or the method by which we choose its administrators, the philosophy of freedom cannot be realized unless the world recognizes the common rights of men in the resources of nature, unless it recognizes the right of every people to trade with other peoples, unless it safeguards the individual rights of life, liberty and prosperity and unless it ensures tolerance of opinion ; these principles are the essential life-giving attributes of freedom ; without them there can be no civilization in the sense in which the term is used by a free people."

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## THE EFFECT OF HIGHER RATES ON LAND VALUES An American Study

THE APRIL issue of the *American City* contains a review and some extracts from a recent publication of the National Resources Planning Board entitled *Urban Planning and Land Policies* (Supt. of Documents, Washington, D.C. \$1.)

The report is divided into three sections dealing respectively with "Planned Communities," "Urban Living Conditions," and "Urban Land Policies," the latter being contributed by Mr Harold S. Burtenehm with several collaborators.

Among the policies discussed is that known in the United States as the graded real estate tax, in other words the levying of a higher tax rate on land value than on the value of the buildings or other improvements. Data are presented relating to the assessed value of taxable improvements and their sites for fifteen municipalities ranging in population from a thousand to half a million. The total assessed value of the improvements in a given municipality was compared with the total assessed value of taxable land (other than vacant lots). The resulting ratio of building value to land value was considered "par" for that city. For example, in a city where taxable non-vacant land was assessed at \$80,000,000 and improvements at \$120,000,000, the ratio of building value to land value would be  $1\frac{1}{2}$  to 1. In that city, an improvement would thus be "under par" if valued at less than 150 per cent of its site value, and "over par" if at more than 150 per cent.

Separate data were obtained for the following classes of property :

1. Single-family or two-family homes assessed at less than \$10,000 for land and buildings combined.
2. All other property wholly residential.
3. All property having business and residential uses in the same building.
4. All property used wholly for business purposes.
5. All property used for industrial purposes.
6. All taxable property of public utilities.
7. All taxable property used for any other purposes.
8. Vacant land.

Calculations were made as to the effect on each class of property of a shift from the present tax system to one whereby the same amount of revenue would be raised on the same assessed valuations but at a tax rate which would be one-half as high on improvements as on land.

After applying the graded tax—that is, adjusting the rates without changing the total budget, so that the tax rate on improvements equals one-half that on land—it is found, as might be expected, that in almost all cases "over-par" developed properties would pay less, and "under-par" developed properties would pay more, than under the ordinary straight tax. The graded tax would appear to be especially beneficial to the small home owner and also to serve as an incentive to the development of vacant land. These tabulations also reveal that industrial property, in general, highly developed in proportion to its land value, and thus would pay less under the graded tax plan. This is true in all but one of our fifteen cities.

On the average, under the graded tax plan, vacant land would absorb 63 per cent. of all the decreases by which other property classifications would benefit.

### CONCLUSIONS FROM THE STUDY AS A WHOLE

1. Over 50 per cent of the tax shift would fall upon vacant land, thus forcing a reduction in speculative prices and stimulating improvement or public acquisition.
2. Business properties would feel much of the rest of the weight of the tax shift, which would :
  - (a) Induce physical improvement to squallid office buildings.
  - (b) Tend toward vertical development of cities to the extent permitted by zoning ordinances.
  - (c) Force some properties into public ownership, making available sun, light, and air to adjoining office buildings through abolishment of the unit.

3. In the larger cities, many low-class and tenement houses were found. Through a materially higher tax on

their unusually valuable land, they would be induced to make improvements, which would be lightly taxed.

4. The graded tax plan would promote more home ownership by lowering the taxes on the high-grade property, and would aid in the development of new large-scale, low-rent housing projects.

### FIRST THINGS FIRST

The problem of "Reconstruction after the War" is already occupying many minds. For our own people, the questions of Land and Taxation, with the related problems of Housing and Unemployment, will obviously be of the first importance. Internationally, the resumption of trade relations must be provided for. Will the framers of the Peace Treaty realize that Land Monopoly, which is the chief cause of Poverty, and the Tariffs which promote international friction, are the principal causes of Dictatorships and Wars? Happily there are welcome signs that at least some of the leaders in Church and State are anxious to avoid the danger of losing the Peace after winning the War. A statement of the "New Order" to follow the War, recently issued over the signatures of the two Anglican Archbishops, the Roman Catholic Cardinal Archbishop of Westminster and the Moderator of the Free Church Council, contained among its ten points two definitely economic proposals, which read like an extract from *Progress and Poverty* :—

Extreme inequalities in wealth and possessions should be abolished . . . Earth's resources should be used as God's gifts to the whole human race, and used with consideration for the needs of the present and future generations.

If these principles—the first of which follows naturally from the second—are to be carried into practice the legislators will have to claim for public purposes the Land Values created by the people, and to abolish the predatory taxes, which under the name of "Protection" do in "Peace" time the work that Hitler's U-boats do in War.

The Prime Minister has to his credit some of the finest speeches in favour of the Taxation of Land Values. Now recently, Mr Herbert Morrison led the London County Council in an attempt to give London the benefit of Land Value Rating. Sir Archibald Sinclair is a strong supporter of this Reform. These are not the only members of the Cabinet who may be expected to support a just and reasonable Peace.—From the annual report of the *English League for the Taxation of Land Values*.

### LONDON LABOUR PARTY

AT THE annual conference of the London Labour Party held on 29th March the following resolution moved by the North St. Pancras Labour Party was adopted unanimously :

"That in view of the large-scale building reconstruction which will be necessary in London, and in order to reduce the burden of rates on new buildings and to frustrate the speculation in land which is now taking place, this Conference considers it desirable that the Bill for the Rating of Land Values prepared by the London County Council should be passed into law."

The Press Bureau of the Land Values Group of the Parliamentary Labour Party has succeeded in getting widespread publicity to recent letters from Mr R. R. Stokes, M.P., Mr P. L. Horabin, M.P., and Mr W. G. Cove, M.P., who urge the case for an immediate tax on land values. Within a short period our press clipping agency has sent us no fewer than 71 such letters which we see have appeared in nine metropolitan, twenty-seven English provincial, and ten Welsh and Scottish papers. Moreover, those letters have prompted supporters and opponents to quite keen controversy in several places. It is all good educational activity.

Under the auspices of the Aireborough (Yorkshire) Labour Group, Mr R. R. Stokes, M.P., addressed a public meeting in the Town Hall, Yeadon, on 11th May. Councillor Joe Walker presided.

## FROM A REFUGEE TRAINEE

I AM GETTING on very well at the training centre. I have learned a lot in five weeks, thanks to our first-class instructors. I passed my first test after a fortnight instead of four weeks, getting 12 points out of 15. Next week the second test is due. In ten to twelve weeks I shall be ready to take a job in a factory.

Wages in the training centre are satisfactory. I started with £3 0s. 6d. and get now, after the test, 5s. more, the wages increasing by 5s. with each test up to 75s. For 11d. we get a very good meal, consisting of meat (every day), potatoes and vegetables, and sweets.

This life of a labourer is extremely interesting for me. I have written much about workers but I did it as a man writes about foreign countries which he does not know except from his geography lessons. Now I am in the country. It is a strange feeling to get a piece of iron and to make a useful thing from it. Every time I finish such a thing I get furious at the thought that the only rightful property man can acquire is taken from him by those who have been clever enough to acquire the command of that piece of iron. What I had long since realized in theory—that there can be no other claim to live than that which springs from labour—has now become a passionate feeling of a religious nature.

But, alas, another experience I have made in the centre is saddening. It is the low standard of education of what is generally called the ordinary people. The instructors who are workers but picked men surpass, no doubt, in skill and education even the elite of any other country I know. But the trainees are hardly familiar with things which are taught in the third or fourth class of the elementary school. I think educational monopoly is as strong a weapon of the ruling class as land monopoly. Otherwise, my fellow trainees are splendid chaps, skilful and of quick perception, and decent people. The greater is the crime of those who are responsible for their standard of education.

—*Some where in England.*

"For the vision of a glorified humanity, under the glow of Liberty and Justice through obedience to Natural Law, I owe a debt of gratitude to the immortal Henry George. When in early life, first I caught that vision, I resolved that gratitude for it demanded of me the gift of my heart's devotion. I kept that pledge. I fought the fight. Yet still the vision gleams before me and lures me on to greater effort. Toward it, still may I strive on in larger spheres of influence, until upon this earth no child shall go to bed ahungered; not one mother fear for the safety of her brood; not one father among men strive against his brother for Liberty and Justice and the Peace of the World. Yes, all of us shall move forward until these blessings shall flow into the lives of men, filling and surrounding them with the Happiness of Life, as the golden orb of day illumines our universe with light."

From the posthumously published *Gentle Friends, Hail and Farewell*, dictated by Laurie J. Quinby shortly before his death, Hollywood, 17th November, 1940.

The mere growth of society involves danger of the gradual conversion of government into something independent of and beyond the people, and the gradual seizure of its powers by a ruling class—though not necessarily a class marked off by personal titles and a hereditary status, for, as history shows, concentration of power, and hereditary status do not accompany the concentration of power, but follow it.

HENRY GEORGE in *Social Problems*.

## A WICKED TAX MAKES PRISONERS AT THE BAR

Giving evidence during a prosecution at Old Street Police Court, London, on 27th May (*Manchester Guardian* report) Mr R. L. Fisk for the Customs and Excise said it was an important case and the first under the Purchase Tax Act; but his added reflection that "the summonses had been selected out of a multitude which could have been brought" was as emphatic a condemnation of the tax itself as condemnation could be. There always will be attempts to evade or break laws which have no moral sanction and the purchase tax claiming legality can make no claim to equity. It is the kind of tax that simply invites the "multitude of summonses" that might be brought, and gives scope to the tricks of inventive minds seeking ways of defrauding the revenue. It is the kind of tax most costly to collect, needing the eagle eye of a host of inspectors, supported by the hierarchy of police and lawyers and judges.

Mr Fisk's evidence told in fact a story of how bad taxation makes individuals the enemies of the State. The method by which the offences were committed was three-fold, he said. First, defendants hawked furniture round towns all about the country and had sold by wholesale, making cash sales which they had not recorded through their purchase tax account and did not include in their returns, and no tax was paid. Secondly, they had falsified invoices to pretend that transactions in which goods had been delivered after 21st October took place before that day. Thirdly, they had written letters to customers claiming that they were returning furniture sent to them for repair, whereas in fact the transactions were ordinary sales liable to purchase tax. In his submission it was a case of deliberate, calculated fraud from the very inception of tax until defendants were tracked down and cornered by the investigating officers. He was not suggesting that the defendants had pocketed the tax themselves, but they had the indirect advantage of unfair competition over their more honest competitors who did pay the tax. The estimated total amount of the tax now due had been paid.

## SUFFER LITTLE CHILDREN TO COME UNTO ME

WITH THE preamble that it believes "that children are the chief single cause of poverty," a resolution in favour of family allowances at the rate of 5s. per child, payable to the mother, is to be moved at the Annual Assembly of the Liberal Party in London, 18th and 19th July. It was starting to read this expression of opinion, reported in the *Manchester Guardian* of 19th June, which charitably says that the resolution embodying the proposal does not appear on the agenda. For very shame it ought to be withdrawn or repudiated. It is said that the Executive Committee is promoting this family allowance idea which has been under examination by a committee presided over by Lady Violet Bonham-Carter with Mr Seebohm Rowntree as one of its members. There is no merit in the proposal save what attaches to any condonation of the social injustices, the privileges and the bad laws that have brought about the monstrous inequality in the distribution of wealth; save the poisonous view that the poor make their own poverty and high state policy can do nothing in the matter but offer the crumbs of charity. But it is of a piece with proposals that matters so much; it is of a piece with proposals and policies these days which parade so-called social services as a synonym for social reform. Is the Liberal Party making that *pronouncement* to go down forever in ridicule and contempt, and over its grave be read Dean Swift's savage satire, the "Modest Proposal for Preventing the Children of Poor People from being a Burthen to their Parents or the Country and for Making them Beneficial to the Public"?

## NORTHERN IRELAND

The Belfast Improvement Committee (*Belfast News-Letter*, 11th June) has decided to ask the Ministry of Home Affairs whether the Government would sanction a scheme whereby the city could secure the sites of buildings demolished in the air raids for post-war development. It was suggested that the Corporation might purchase such sites. Alternatively, the Government might finance a scheme. Many of the sites would be invaluable when the time came for post-war reconstruction, and the Committee were approaching the question with an eye to future developments. They wanted to know whether they could buy ground at its present valuation. Some of the ground rents bore no relation to the importance of the site, and they therefore had decided to ask the views of the Government.

On 14th June the *News-Letter* published the following letter from Mr Andrew J. Lutton of Larne:

"In your issue of 11th inst. your political correspondent mentions a proposal, now under consideration by the City Council, to take over sites in the bombed areas for town planning. The question arises—where is the money to come from to finance it? If the so-called owners have made these sites in their workshops and set them down there, it is just and right that they should be paid the market value for all they have done, but if that idea is absurd is it not also absurd that the community should be compelled to pay for what they themselves have created? It has been at their expense that streets have been made and water, light, and sewers, etc., provided, and it is these things and the presence and activity of the people in the vicinity that give value to the ground, and not anything that the holders of title deeds have done. True, the law sanctions the existing custom, but when State law and moral law conflict the former should be altered so as to secure to the community the value in question. In Great Britain over 240 local councils have petitioned Parliament for leave to make this change."

One of the Northern Ireland town councils that has taken action on the rating of land values is Ballymesa. In March, 1940, all members of the Council were supplied with explanatory literature at the request of the Town Clerk, and in April, 1940, the Finance Committee decided to refer the matter to the General Council of Municipal Authorities for Northern Ireland. Encouraged by the interest taken in Ballymesa, the Town Clerk of Donaghadee asked for and received a similar set of literature, but apparently no further action has yet been taken.

But in Belfast, the Improvement Committee should ascertain what progress the General Purposes Committee has made in the consideration it was giving (as reported in the *News-Letter* and other Belfast papers of 21st March, 1939) to a circular from the Association of Municipal Corporations which suggested that "the existing system of rating should be altered so that local authorities be empowered to levy rates upon owners in respect of the value of land, apart from improvements, for the purpose of effecting a reduction in or abolition of local rates payable at present by the occupiers of rateable property; securing that the public shall benefit from the land values which arise from the presence and activities of the community; and facilitating the acquisition of land, the provision of houses and the making of public improvements."

Alderman Harry Midgeley gave a lead in a letter he wrote at the same time to the Town Clerk in the course of which he said: "I think the Government should be urged to introduce a Municipal Enabling Act empowering local authorities to impose a rate to be levied on land values. The purpose of the land values rate would be to give relief to local ratepayers and income-tax payers, and to ease the burden of improving and developing municipal amenities. Under such a scheme it might eventually be possible to levy most of the rates on land values."

At the special conference of the Northern Ireland Labour Party (Alderman H. Midgeley in the chair), held on 7th August, 1937 a resolution was adopted urging the taxation of land values. Alderman Midgeley saying that if the principle of the resolution had been applied 25 years ago local authorities could have been living rate-free to-day;

and Mr R. Dorman characterized the resolution as the most important one before the conference.

More has been done in Eire to promote this Municipal demand. The Association of Irish Municipal Authorities, the Irish Leaseholders Association, and the Dublin Citizen's Housing Council, have all declared in favour of the principle of land value rating. The Association of Municipal Authorities discussed it fully at their annual conference, in September, 1937, which Mr F. C. R. Douglas, I.C.C., attended by special invitation, reading a paper afterwards printed and widely circulated. At the Conference in September, 1938, a resolution declaring for land value rating was adopted. Preceding the Conference all its members had been supplied, at the instance of Mr Sean MacCarthy, the secretary of the Association, with three publications of the United Committee. The matter was again discussed at the Association's Annual Conference in September, 1940, when a further paper was presented by Mr F. C. R. Douglas; and in preparation for that Conference the United Committee, helped by the lists given by the Association, sent literature on the Rating of Land Values to all the town clerks in Eire in quantity sufficient (1,190 copies of each pamphlet) to distribute through them to every Town Council member in the land. It was a piece of educational work effectively done, and if a similar campaign could be organized throughout Northern Ireland, the United Committee would no doubt eagerly co-operate.

## THE HOLD-UP IN THE WEST

To the Editor, "*Land & Liberty*."

SIR,—Your article in the March issue—"Land Speculation"—induces me to send the following statement as to local conditions. Cornwall is one of the most sparsely populated counties, having about two and a half acres area for every man, woman and child in it; Newquay is one of the most popular health and holiday resorts in the country; the only possible area for expansion and development is towards the east of the town where the chief landowner is the *Public Body* called the "Duchy of Cornwall." For many generations this land has been let and farmed, the rent having been about 25s. an acre including buildings, so that its real value in 1930 was about £35 an acre. The demand for houses led to the development of this land in 1931: roads, sewers, public services, etc., were made and installed, and the sites were pegged out and sold at the rate of £1,280 an acre. About one-third is built upon and two-thirds is lying idle, not a penny being paid to the local finances. After deducting cost of above-named services the net profit made by the Duchy is £900 an acre or about 2575 per cent (net) over 1930 value. Here is a simple sum of "Rule of Three." If a grocer be fined £6 for charging one farthing too much for an item of *inessential* food, what should be the punishment inflicted on the Duchy for such profiteering on a *monopoly*?

Yours, etc.,

NEWQUAY, CORNWALL. S. J. LEE VINCENT.

*The Menace of Land Monopoly* is a new pamphlet (price 2d.) published by the Henry George Foundation, Australia. With portrait of Mr Winston Churchill on its front page, the pamphlet reprints extracts from Mr Churchill's speeches in the House of Commons on 4th May, 1909, and at the King's Theatre, Edinburgh, on 17th July, 1909. Extracts of the Edinburgh speech come to us also as published in the New Zealand *Manawatu County Mail* and in the Canadian *Square Deal*. A chapter in our new book, *Why the German Republic Fell* (2s. 6d.) gives passages from several of Mr Churchill's speeches on the Taxation of Land Values.

An example of the difference between the real value of land and the value at which it is assessed (because of its present use) is afforded in the case cited by Mr R. R. Stokes at question time in the House of Commons on 15th May. Two cottages with three acres of land at Cranleigh, Surrey, are advertised for sale at £2,000. The local rates on the cottages and the land are £3 a year. It is an example of the absurdity and anomaly of the present rating system.

## NEWS OF THE MOVEMENT

THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES, LTD., 4 Great Smith Street, London, S.W.1. A. W. Madsen, Secretary; F. C. R. Douglas, Assistant Secretary; W. R. Lester, Hon. Treasurer. (Telephone: Abbey 6665; Telegrams: "Eulay, Parl, London.")

Expelled by enemy action from our former premises we are now settled and equipped in our new offices, a self-contained building, at 4 Great Smith Street, in the heart of Westminster. Of the many kind and encouraging messages of sympathy in the misfortune that befall us one was especially expressive. It said: "I am sorry you have been unhoused at Knightbridge Street; remount and gallop ahead." We have so far overcome the interruption and the disturbance that we are at any rate in the saddle again and with feet in the stirrups, if the further use of metaphor may be permitted. All the agencies are well accommodated: the United Committee, the International Union, the Henry George Foundation, *Land & Liberty* itself, and the English League. To our printers we express our gratitude for giving us temporary house-room while the new premises were being made ready.

Not only were our offices destroyed but also all they contained. Some precautions had been taken even against ordinary fire risks in preserving elsewhere vital documents and copies of lists of names and addresses; and about half of the stock of saleable books and pamphlets had been dispersed to various parts of the country. But the loss of valuable office records and manuscripts is grievous, some things being irreplaceable. In the 1,000 volume reference library there was, for example, a collection of the translations of Henry George's works into many languages, more complete than is to be found, we believe, in any part of the world. Retrieved from the ruin were the contents of the safe which had withstood the strain or it was more air-tight than that of a neighbour who, alas, found nothing but ash in his more strongly-built one.

Readers will excuse that in the circumstances it was difficult to make headway with the June issue of the Journal and that we have to give them on this occasion the double number covering the months of June and July.

There is little more to be said about the catastrophe save that happily no one came by hurt and save also that of course heavy expense has had to be incurred in connection with the move. The job is now to prosecute the campaign for the better day when social justice shall triumph over any thought of the conditions that make beasts of human beings, the one to the other whether across or within national boundaries. That we mean to do with undiminished vigour and in unshaken confidence that by persevering in the education of public opinion the barriers opposed to social progress by ignorance and apathy will ultimately be levelled.

While we make a most earnest appeal to our readers to help each other in this great endeavour, and to help us to co-operate all we can, there is one immediate request that bears upon our present handicap. We lost all filed copies of *Land & Liberty*. There is constant application for this or that issue because of some article it contains. Any reader therefore who can spare the issues especially of recent months (any earlier issues will also be acceptable) will do a real service by letting us have them.

The other matter is the reference library. How may such an essential equipment be restored? There are those who have libraries containing the standard classics on political economy, social philosophy, economic history, the land question, reference books and treatises and generally speaking, the literary tools which are familiar to the student who knows the journalist's needs and occasions. We do not say send now what you may be able to spare, for indeed we are hardly ready yet to receive much, but books of the kind could be "named" for our use and benefit, and a list might be sent so that we know where such books are available and we can in due time take advantage of offers kindly made. Already we are deeply indebted to one friend for her presentation of the "Memorial Edition" of the complete works of Henry George, an edition which is extremely scarce and replacing the set that we lost. A timely gift, and the nature of it an augury of good fortune. Other friends have presented their sets of bound volumes of *Land & Liberty* back to the first number, knowing the service which that mine of information is to us.

On another page is advertised our new publication (price 2s. 6d. and 2s. 9d. by post) entitled *Why the German Republic Fell, with sub-title "And Other Studies of the Causes and Consequences of Economic Inequality."* We regret that we could not have it out by the promised date but the delay has been unavoidable. Here it is now and we hope for it a wide circulation with the assistance that readers can give. As it consists wholly of matter that has already appeared in *Land & Liberty* it does in large measure make up for the loss of back numbers and there is a compensating coincidence in its appearance at this time. A specially prepared folder will advertise it, which we ask readers to apply for so that they can enclose copies in their personal correspondence.

ENGLISH LEAGUE: Frederick Verinder, General Secretary. 4 Great Smith Street, Westminster, London, S.W.1 (Telephone: Abbey 6665.)

On May 7th the General Secretary kept the 57th anniversary of his election, in 1884, as an officer of the League, at its first Annual meeting. Three days later, the building in which the League and the general headquarters of the movement had been housed, was completely destroyed by enemy action, as reported elsewhere in this issue. Nearly a month later the office safe, in which, happily, the list of members was preserved, was recovered from the ruins. But all the records of 58 years' activities, the League's library, which included 51 volumes of bound and indexed pamphlets, were destroyed, among many other grievous losses. Fortunately the Annual Report of the Executive for the year ended March 31st was in type, and the Auditors' Report had just come into the Secretary's hands. These have now been printed and are being sent to all the members with a letter from the officers of the League, who feel sure that the members and friends of the League will see to it that it is soon enabled to resume its full activities in the new office at Westminster.

A member of the League has supplied the Secretary with the names and army addresses of about 30 men who are serving in the Forces. We would gladly welcome more help of this kind. These men are being told that they are fighting for a better condition of society. It is well that they should be told the "New Order" for Britain and the world depends mainly upon the abolition of Land Monopoly, the main cause of Poverty in the midst of Wealth, and on the abolition of Tariffs, the chief cause of the International friction which leads to war. Hitlerism will never be destroyed unless the evils that gave rise to it are ended.

MANCHESTER LEAGUE: Arthur H. Weller, J.P., Secretary. Poychley, Bean Leach Road, Offerton, Stockport.

Under the auspices of the Henry George Club four meetings have been held in the Friends' Meeting House, Hillgate, Stockport, and addressed by Mr D. J. J. Owen. Mr J. R. Lightfoot presided over the first meeting on May 5th when the speaker dealt with "Reconstruction and land speculation." At subsequent meetings the subjects were "A planned order or a free order," "The struggle for rating reform," and "The power of land monopoly." Miss Betty Noble, Hon Secretary of the Club, occupied the chair on May 19th, and all the addresses were followed by useful questions and discussion. Copies of *Progress and Poverty* and other books and pamphlets were purchased and good reports appeared each week in the *Stockport Express*.

Similar meetings are being organized in Clitheroe and Wythenshawe.

Mr Owen addressed a well-attended and keenly interested meeting at Clitheroe on 29th May, the success of which was largely due to the skilful and genial work of Mrs F. G. Sumner. Mr Owen had also engagements to address meetings of the Wythenshawe (Manchester) Friends on 16th and 23rd June, and another Clitheroe gathering in July which Mrs Sumner is organizing.

The Macclesfield Rotary Club invited Mr J. R. Lightfoot to address one of their recent meetings, and the members appeared to be much impressed by what they heard of Georgian principles. Mr Lightfoot is indefatigable in his work for the cause and has made good use of the explanatory literature kindly supplied by the United Committee.

GREAT CROSBY HENRY GEORGE FELLOWSHIP: Meets first Sunday each month: Mr C. C. Paton, Hon Secretary, 11 Tudor Road, Liverpool 23.

Mr E. Stephens opened the discussion on, "In the grave state of human affairs is it more expedient politically to demand that the abolition of all taxation save that upon land values be accomplished by one Budget instead of by instalments in successive Budgets." He expressed the view that while the Taxation of Land values by gradual steps was a comparatively easy and reasonable way which came near to being successfully in a period believed to be making progress, the rapid decline of civilization and the tendency to dictatorship and the slave state had been so great in Britain that they could only be overcome by publicly insisting at the end of the war that the rent of land belongs to the people and upon the immediate collection of the whole of it, by the abolition of all taxation save that upon land values; that the simplicity, obvious truth and high aim of the proposal would appeal to all who labour as a bold one offering just and immediate relief from the wrong about which men will concern themselves more keenly after the war, and indicate the high social state based on justice that they could attain. Those who participated in the discussion congratulated Mr Stephens on the presentation of his case,



expressed the opinion that the demand for the whole of the economic rent had always been made by Georgists, the question of accepting instalments being one of what was politically practicable, and that much more would have to be done in school lines among the intelligent members of the community before the demand for the collection of the economic rent in whole or in part could be made effective. It was decided to continue the discussion at the June meeting.

The discussion on "The partial or full application of the principle of the Taxation of Land Values" was continued at a well attended meeting on 1st June. The views contributed by the several members showed a great amount of thought given to the subject. Discussion at next meeting: "What is the best course of action to obtain social justice?"

MIDLAND LEAGUE: Chapman Wright, Hon Secretary, 20 Cannon Street, Birmingham, 2.

The Birmingham City Treasurer, Mr J. R. Johnson, has some interesting comments in presenting the 1940 "Blue Book." Rates produced £5,438,817 charges for commodities and services amounted to £11,702,523, and £4,100,481 was received by way of Government grants. Many departments have incurred expenditure to meet war conditions and it will be impossible to rely upon the full normal yield from rate levies. "The basis of rating is more historical than scientific."

The League has always urged that the present rating system is unscientific and that Land Value rating alone will comply with the dictates of Justice. For the enlightenment of Aldermen and Councillors the Secretary has forwarded to each of them a copy of the U.C. leaflet "Rate Land Values" which so ably sets forth our case.

PORTSMOUTH LEAGUE: H. R. Lee, Hon Secretary, 13 Lawrence Road, Southsea.

Alderman L. N. Blake spoke recently on the replanning of Portsmouth and his address prompted the secretary to write a letter to the local *Evening News* which was published. It had been said that once the plan was passed we would quickly have wide streets, fine shopping centres, open spaces, factories, charming houses, etc., and there would have to be land purchase; indeed the nationalization of all the land in the country to effect town and country planning everywhere was the suggestion. Our small experience in delays and enormous expense in buying a few small pieces of land for road widening and other public purposes makes one gasp at the magnitude of this proposal. Most of the land covered by the replanning scheme is very valuable. With the colossal national debt after this war it is doubtful if the country would agree to buying up this, least of all buying up the whole country. Beside the high cost of the land the next greatest obstacle to rebuilding is rates and taxes. These burdens added to the rent increase the price of the goods made and sold and ultimately falls upon the consumers. The Alderman said nothing about this, surely he is aware of the existence of rates and taxes. Instead of suggesting to the Government a policy of buying up the land would it not be better to suggest putting rates and taxes upon the value of land and relieving houses, factories, etc., from these intolerable burdens? It is easy to draw up a plan, but if you want to see houses and factories rebuilt you must remove the antiquated system of raising rates and taxes, otherwise there will be no rebuilding.

GLASGOW, CARDIFF, YORKSHIRE, LIVERPOOL, DERBYSHIRE, CLITHEROE, EDINBURGH, INVERNESS. Readers in these districts who are seeking opportunity to promote the principle and policy for which this journal stands are invited to communicate with: Mr Wm Reid, 9 Woodside Crescent, Glasgow; Mr Eustace Davies, 27 Park Place, Cardiff; Mr F. Skirrow, 129 Skipton Road; Mr H. R. Lee, 13 Lawrence Road, Southsea; Mr C. W. F. Wilkinson, 6 Darley Drive, Liverpool; 12; Mr G. Musson, 29 Denby Lane, Coddor; Mrs F. G. Sumner, Oak Side, Myton Road, Whalley; (*pro tem*) Mr A. W. Madsen, 41 Grange Loan, Edinburgh; Mr I. Mackenzie, Queensgate Arcade, Inverness.

THE HENRY GEORGE FELLOWSHIP: R. R. Stokes, M.P., President; Miss C. Proctor, Hon Secretary; 13 Suffolk Street, Pall Mall, S.W. 1.

The Henry George Fellowship, which runs the Henry George School of Economics, has now taken offices at the address given above and has engaged a full time secretary. Two new courses opened at 13 Suffolk Street on May 27th and May 29th, each at 6.30 p.m., and new courses are planned in Stoke-on-Trent where three courses are now running. There is also an active branch in Ipswich and since this School began, in September, 1937, it has given tuition to a large number of students. At the Labour Party Conference held in London in the beginning of June, the School was advertised to the delegates by means of a distributed leaflet which was mentioned by Mr Noel Baker in the course of

the discussions. Addressing an elementary economics class in connection with the Henry George Fellowship at Burslem, Stoke-on-Trent (*Evening Sentinel* report) Mr Andrew MacLaren, M.P., said that as he saw the position there was only one cure—to begin to educate people in political economy. Thinking democrats must know why there was social injustice, slums and so forth. In studying the position with this object in view *Progress and Poverty*, by Henry George, should be their guide. It was a challenge to every book that had ever been written on the question of poverty. Some opponents tried to make fun of Henry George, others ignored him; but no man could attempt to reply to him. Henry George carried on the wisdom of the past and applied to it modern language. He made it clear that until people understood the law of rent they could never understand the cause of poverty or its solution. Declaration of the white race by themselves would never be necessary if the principles embodied in *Progress and Poverty* were understood.

## MAKING OPINION IN CLITHEROE

To the Editor, "Land & Liberty":

DEAR SIR,—Although group activities in Clitheroe have been considerably curtailed owing to the distractions caused by the war, you and your readers will be heartened to know that individually, members of the group continue valuable missionary work. It is surprising what opportunities can be seized upon by those who are keen to convince others of the justice and common sense of George's philosophy.

Let me quote one or two examples of my personal experiences:

(1) Whilst shopping in town I had occasion to visit the ironmonger. In the course of conversation he said that he is now called upon to pay taxation at the rate of £5 per month because he happened to carry a stock of £3,000. This he considers a crushing burden, which, of course, it is, I therefore pointed out to him that it was time business people supported the taxation of land values. To my surprise the reply was "we have reached that point—there is nothing else for it." A few days later I followed up with books which included *Why Rents and Rates are High*. Result, a few weeks later, calling again at the shop, an atmosphere of great enthusiasm had developed. This business man told me how he had mentioned this "revelation" to a doctor who had called at the shop, and to his surprise the doctor said, "you ought to read *Progress & Poverty*."

(2) Our family tailor recently sent patterns, with the advice that it would be wise to have one or two suits while the going was good. He stressed not only a rise in future prices, but deterioration in the quality of material. When returning the patterns it was pointed out that we required three suits, a lady's costume and coats, but we regretted that the order must necessarily be limited to one suit, as the local and national tax collectors wanted all our surplus cash (if any). He, the tailor, remarked that he had read and was interested in all the correspondence we had submitted to the local press.

Again I took the opportunity of sending him the means of obtaining a wider knowledge of the subject. And these are not all. I could report other similar cases if time and space would permit.

Is not this the moment to strike out in all directions? More efforts are needed from each one of us, now. We have a golden opportunity to make people realize that we will get recurrence of wars until they are prepared to make them impossible by bringing about a state of contentment in the world which would make war an anachronism.

We in Clitheroe are very proud of the progress we are making, and as already stated, it is due to the constant work of a few, beginning with the persistency of one man, namely, Mr John Haworth.

WHALLEY.

F. G. S.

Social reform is not to be secured by noise and shouting; by complaints and denunciations; by the formation of parties, or the making of revolutions; but by the awakening of thought and the progress of ideas. Until there be correct thought, there cannot be right action; and when there is correct thought, right action will follow.

HENRY GEORGE in *Social Problems*.