

ment should live within its rightful income. But this is not, as Prof. Parkinson would have us believe, some arbitrarily decided proportion of that spurious "national income" which appears in official Blue Books. That figure is derived from tax returns of rents actually received for tenanted buildings, wages, salaries, so-called profits, dividends, interest and the like. The greater part of what is thus designated "national income" is actually private income while the greater part of true national income does not appear in any official returns. By "true national income" we mean the annual value which society as a whole gives to the land within the national boundaries. In the interest of equity and economic health the government, as agent of society, should collect this annual value and spend it in such ways as may maintain and enhance the people's fund. No question arises as to what proportion of this true national income may safely be collected. What is dangerous is to leave it in private hands for that leads, among other things, to the very situation which Prof. Parkinson has so brilliantly exposed.

It is surprising that a businessmen's organisation should have spent money on commissioning the professor to write his booklet, and on publishing it. Surely they realise that political considerations will prevent his proposal from being adopted even in dilute form? The greater part of public expenditure is on defence and the mitigation of poverty. While the cold war continues and the poor have the franchise there is little likelihood of marked economies under those headings. Doubtless there is room for savings in administration but these appear to elude politicians. The nationalised industries could be sold and some hundreds of millions of pounds could be saved by curtailing aid, winding up the marketing boards, ending the subsidisation of agriculture and the distribution of tax monies in one form or another to industry, and pensioning off the Customs men. But where are the politicians who would risk the wrath of the farming lobby and the industrialists' organisations which this would unleash?

If the impossible happened, and total taxation, national and local, were roughly halved, as Prof. Parkinson urges, what would happen? Relieved of a great impediment, production would surge mightily forward. And immediately—if not sooner!—the rent and price of land, already perilously high, would soar up to new giddy levels. Those able to say "this land is mine" would skim off for themselves much of the new production. People wishing to start new small enterprises or to house themselves and industrialists wishing to expand would find the land locked against them except on most onerous terms. As the tax brake was eased, the land price brake on the economy would be applied more firmly. At best, particular concerns and individuals, those in freehold possession, would benefit while others would be worse off than at present. At worse, the economy would be brought abruptly to a standstill.

A Judge On Tax Justice

A RULING which he predicted would be heard around the world was handed down by Judge John R. Fuchs in the Hays County district court, Texas, on September 1. The suit before him, brought jointly by the City and School district of San Marcos, concerned taxes assessed against motor vehicles owned by the defendant, F. W. Zimmerman. The defendant contended that because much other personal property in the taxing districts was not assessed, the tax levied against his vehicles was void on the grounds of unfair discrimination and was unconstitutional. The Court upheld that contention.

The Texas Constitution (Article 8, section 1) provides that taxation shall be equal and uniform and that all property in the State, other than that owned by municipal corporations, shall be taxed in proportion to its value as lawfully assessed. Accordingly every taxpayer is required by law to sign an oath that he has rendered all his property for taxation. In his ruling, Judge Fuchs stated: "This law has never been enforced and we have openly and knowingly made a grim mockery out of a most solemn act. The disrespect, if not violation, of this law breeds an unwholesome disrespect for all laws." If the people did not want the law enforced they should have it changed. That could be done only by the legislative department of the government.

"Our whole taxing system stinks to high heaven," the Judge declared. A simple but far-reaching reform was needed. This could be brought about by "simply abolishing all taxes on personal property, all income and excise taxes, in fact by doing away with all taxes and in lieu thereof collecting the annual rental value of land minus all improvements..... (this) restores to all the people that which belongs to them as a whole, and gives to the individuals or leaves to them what they have created by their industry, thrift and energy." Such a reform would save not only the U.S.A. but the whole world from Communism and absolute regimentation. Support for it could be found in the writings of Mencius of China, Tolstoy, Jaurez of Mexico and many others including Adam Smith, Jefferson and Lincoln.

Judge Fuchs said that if the scientist made no distinction between the different elements of which things are comprised chaos and confusion would result. The same happened because the state "fails to differentiate between man-made goods and natural goods (land). Such a distinction is vital in the just administration of state affairs. We must never forget that man-made goods are the product of individuals, alone or in association, whereas the land was here before man came, independent of his volition, freely furnished by nature. Why should some monopolise nature's product without compensating society?"

Americans prided themselves upon their political freedom he said, but this could not be fully enjoyed un-

less they also had economic freedom. "So long as some are given privileges, as is the case now we will have class warfare. And it is this hatred between classes that feeds the fires of discontent and leads to communism... So long as property or things which by the law of Nature are public are treated by the law of man as private property, we will live in a state of unrest. And so long as that condition is permitted to exist all the efforts by government to help the farmers, regulate capital and labour and fix wages and prices will be absolutely in vain and of no avail. Such a state is like a building without a solid foundation. We must eradicate the poison of inequality and discrimination from our public institutions. When we do this we will again become the beacon light for liberty for all nations of the earth."

A copy of this ruling is being sent by Judge Fuchs to every member of the Texas Legislature. He has already sent them recently an Open Letter entitled "Nobody Likes to Pay Taxes" and other literature.

Don't Get It Right — Get It Written!

Seldom does the *Liberal News* publish anything about the taxation or rating of land values, aside from an occasional reader's letter, that our first reaction on opening the August 31 issue was one of mild excitement.

A "politicians' guide" to Site Values occupied four columns of the centre page. Two subheadings looked inviting—"L.V.T.—What it is" and "Present rating system in grave danger of collapse." Closer examination was rather disappointing. First there was a silly, unnecessary jibe. The land value taxation theory was said to have suffered since Henry George propounded it in *Progress and Poverty* from the fact that many of his followers had been cranks—and from the belief that land-value taxation — 'the single tax' — could, at a blow, replace all other forms of taxation."

Then, too, there were various inaccuracies. "Lloyd George's land-tax" was not, as claimed, the first attempt to introduce "some form of site value tax into Britain"; a number of Bills were introduced in Parliament from 1902 onwards. Nor was the pre-war L.C.C. Bill "the first attempt to substitute site-value taxation for our present rating system."

Misleading, too, was the statement that "the basis of the system is merely that a tax should be levied on the freehold value of land itself — regardless of buildings on it". What generally and properly is advocated is the taxation (or, better, the collection) of the annual rental value of land apart from buildings, etc. Wrong, too, was the assertion that in 1963 householders' rates will be levied on 1956 assessed values. They will, of course, be on current values.

Speculation in land values was said, rather curiously, to be "the most obvious source of new revenue to local authorities" but perhaps this may be attributed to a harassed journalist striving for brevity. The uninformed reader might be forgiven for thinking that advocates of the land value policy are motivated largely by a desire to get even with land speculators, particularly Messrs. Clore and Cotton, pictures of whom embellished this *Liberal News* feature. That is not so although, of course, speculation in land values would become progressively less profitable as the rate of land value taxation was increased until ultimately it was eliminated.

In view of these and other shortcomings, the journalist responsible deserves only a B-plus mark. Perhaps he is not wholly to blame since the Liberal Party has given these vital questions so little attention in recent years. Until it recognises that they transcend all other domestic political issues it deserves and can expect to remain in eclipse.

Protectionist Buffoonery

BUSY as beavers in their palatial Thames-side offices, the Board of Trade bureaucrats are hard at work balancing, as best they can, the conflicting claims of those who want trade to be free and those who want existing barriers raised still higher and new ones erected. A sheaf of press notices received during recent weeks testifies to their industry—and to the fatuity which is part and parcel of protectionism. They may be conveniently grouped under four main headings.

First, are requests that specified imported commodities should be marked to show their country of origin. It affords some satisfaction that the Board's President, in his wisdom, has decided that various kinds of heat insulating bricks, blocks and tiles need not be so marked. We are quite certain that providing price, quality and delivery are satisfactory those who use such materials do not care tuppence where they were made and the same applies to all other commodities.

The Standing Committee (General Merchandise), set up under the Merchandise Marks Act, 1926, recommended that these bricks should be marked. More sensibly the same Committee has recommended that miniature ball-bearings (not exceeding 12.7 millimetres) need not be individually marked provided that they are sold in packets showing where they were made. This recommendation has been promulgated by an Order in Council which takes effect next month. Hitherto, under the 1928 Order, all bearings had to be die-stamped, impressed or etched on the visible outer surface. Those exceeding 12.7 millimetres will still have to be so marked. What utter nonsense!

The Standing Committee has also recommended that various kinds of cigarette, cigar and pipe lighters shall