

one which can redress present grievances and inequalities is that which takes account of land values as the proper source of public revenues. Nor may one expect lasting good from an altered distribution of the Exchequer subventions as long as the money to pay for them comes by the present repressive modes of taxation. As a device to 'keep down rates' they only subserve the landlord interest by maintaining rents, besides menacing the very existence of local self-government.

The Chancellor has indicated thus far only a limited application of the land-value policy dependent on the willingness and ability of local rating authorities to exercise optional powers and themselves make the necessary valuation. These powers, providing valuable object-lessons as they would do, could be operated easily and successfully in any County Borough. But certain difficulties, not insuperable, of a technical nature present themselves in the event of some non-County Boroughs and County Districts and not others (within the same County or assessment area) exercising these powers. On these and other grounds it must occur to the Chancellor and the Government

that instead of a limited and sporadic institution of the land-values system, it must be applied universally, if the intended thorough-going change in the whole basis of local rating is to be attained. This requires a general and periodic valuation of all the land of the country, apart from buildings and improvements; and essential also in any competent treatment of the financial relations between the Treasury and the local authorities will be a national tax on land values, desirable as that is for many other reasons.

The foregoing survey was written before publication of the Town and Country Planning Bill, the implications of which conflict with the Taxation and Rating of Land Values. The intentions of the Government are revealed to be in an altogether opposed direction, and whether it will or can take up anything approaching the nature of the demands expressed by the Municipalities remains to be seen. Our survey stands as a record of the stage reached in the municipal agitation and as an indication of the course the reform ought to take.

LAND AND LIBERTY IN GERMANY

THE GERMAN LEAGUE for Land and Liberty, resuming the work of the *Bund Deutscher Bodenreformer*, led for so many years by the late eminent Dr. Adolf Damaschke, has now got well into its stride. The League was reformed last May and thereupon began to pick up the old members and organise its activities. It is hoped that the necessary paper may soon be made available enabling the League to issue its printed journal which will be entitled *Land und Freiheit* (Land and Liberty). Meanwhile its publicity is conducted by type-duplicated *Mitteilungen* or Bulletins at regular intervals. Of these we have received the issues Nos. 1 to 5.

The most important step thus far taken is the draft of the Bill providing for the Taxation of Land Values which is being laid before the governing authorities—a bill ably drawn providing for real estate taxation, in town and country, based on the value of the land alone and annually levied with complete exemption of all houses and other buildings and improvements. We await to learn of progress of this measure and the prospects of its being accepted and approved, the Allied Commands having required that it be submitted in the responsible quarters in each of the four languages, English, French, Russian and German.

The League held General Assembly on October 27 at which Dr. Rudolf Schmidt (Berlin-Wilmersdorf, Nassauische Strasse, 54-55, the address of the League) was elected Chairman; Arnold Schwarz, secretary; Mrs. Julie Damaschke, Dr. Kurt Schmidt and Dr. Liertz, assessors and other officers are Messrs. Laurent, Schatter, Naab and Kuno Schmidt. Mrs. Damaschke is the widow of Adolf Damaschke. Dr. Kurt Schmidt is father of Dr. Rudolf Schmidt and was last chairman of the older and now reconstituted League under the new style and title.

The question of the sub-division of large estates and the creation of small holdings is closely watched by the League so that it can use its influence to see that the legislation is on right lines. The mere drastic sub-division of land and forcible 'break up' of estates will achieve nothing. Accordingly no opportunity is missed to point out how, if only land values were taxed and improvements were exempted, a just and truly economic distribution of the *holding* of land would result. At all costs the mistake must be avoided of the so-called 'land reform' (now discrediting that term throughout Germany) which was carried through in the Soviet zone. The Bill in the American zone to secure cheap land and provide homesteads which we reported (and criticised) in our July issue has been proved in a masterly analysis in the League's Bulletin No. 3 to be on wholly wrong lines. The defects and fallacies, indeed the impossibilities, of 'increment' taxation are most ably discussed. The Bill was not sanctioned by the American authorities and has been abandoned. Another project seems to have been adopted in the American zone for the sub-division of estates, with certain safeguards that those who obtain small holdings will duly and properly cultivate them; but the key is missing

that will safeguard for the community its claim to the rent of land. After a three years' interval, the new holdings, now to be rented by the State, will be turned over to the new holders in freehold possession. It may be that by persuasion on the legislature the taxation of land values can be instituted. That will be the League's effort. On the other hand, this legislation may now be in abeyance, in view of the merging of the American and British zones under one administration.

The Bulletins of the League give some striking facts about the land speculation in Berlin, quoting advertisements in the Press. Owners of blitzed sites (bombs never destroying the *land*) are obviously holding out for great fortunes. The fundamental cause of all social ills lies menacingly in front not only of Germany but of the whole world. It must be rooted up.

There is much in these Bulletins that we would gladly reproduce, had we the space. As an example, there are valuable pre-war statistics of the distribution of land in Germany, now published for the first time after having been forbidden under the Hitler regime. But, of peculiar interest to ourselves is the use that has been made of the book (now out of print) *Why the German Republic Fell*, which fortunately reached Dr. Rudolf Schmidt through the post. The first chapter (by Bruno Heilig) which pictures the violent land speculation following the previous war, and its economic effects, has been translated and published in pamphlet form, and is being widely advertised. A special issue of the Bulletin will be devoted to it. In a covering letter, Dr. Schmidt writes that a copy is being sent to every member of the newly elected City Council of Berlin.

A typical example of the injustice of the present rating system was shown in the reply Mr. R. R. Stokes, M.P., received from Mr. Bevan on July 25 last. It related to the 390 acres of land required to complete the Ipswich Housing Scheme at a total cost of £533,000, including roads and sewers. Mr. Bevan stated that the greater part of the site was agricultural land and de-rated and the annual rateable value of the rest was £158. It is not surprising that Ipswich is one of the many Boroughs which are urging upon the Government the necessary legislation for rating land values.

Sir W. Smithers ascertained from Mr. Dalton on November 21, that the cost of living subsidy amounting to £369,000,000 a year was equivalent in terms of income tax to 3s. in the £. Thus the generous State cheapens food for all of us but 'in terms of income tax' is a delusive way of reckoning the account of cost since all the taxpayers under all forms of taxation have to contribute. The customs and excise men who (unseen) stand at the entrance to every shop and entertainment place and mount guard at every petrol station are also attending to it, and their parasitical 'cost of living' must be reckoned in the bargain plus all the expenses of administration. What is paid in taxation far exceeds what is received in artificially cheapened food, and who gains in these swings and roundabouts, is a gamble.