

## OUR INDIRECT TAXES

The Report of the Commissioners of Customs and Excise (Cmd. 7547, 3s.) shows in a table that over 700 more smugglers were convicted in the year ended March 31st last than in the previous year. As the *Manchester Guardian*, December 22nd, put it, the country now has 2,000 of these criminals (*sic*) in its midst. By far the bulk of them (1,806) smuggled to evade duty or purchase tax, the Report observing that the increase in convictions may be explained to some extent by the greater incentive to fraud presented by the higher rates of duty and tax.

We should like to return to the Report, with its startling information on taxation under a Socialist régime, the inheritor of Tory precept and performance. Meanwhile, the following particulars are illuminating:—

	Year 1938-39	Year 1947-48
	£1,000	£1,000
Total Customs and Excise ...	340,553	1,426,257
<i>of which</i>		
Spirits, Beer, Wine ...	106,596	376,563
Tobacco ...	84,818	567,809
Sugar, etc. ...	12,955	36,435
Tea, Coffee, Cocoa ...	12,099	11,320
Clearly protective tariffs ...	39,859	60,167
Entertainments ...	8,154	50,039
Purchase Tax ...	—	246,249
Petrol and Fuel Oil ...	57,919	57,479
Miscellaneous ...	18,153	20,196

## LAND HUNGER IN ITALY

On May 17th last year the *Manchester Guardian's* Rome correspondent reported that agricultural labourers in the Modena area of Emilia had been engaged in new and various solemn expeditions to occupy land belonging either to the State or to individuals. The police took action, causing the peasants to run, leaving behind them the sickles with which they had already started to cut the damp hay. Land occupations in the Modena area were taking place under the leadership of the local agricultural unions.

Later information about the Italian land situation was given in the *Manchester Guardian* of January 8th. The result of the inquiry by the Italian Agrarian Institute is quoted. "Out of 81,500,000 acres of arable and forest land in Italy (excluding the great mountain ranges) 63,500,000 acres belong to private owners and 18,000,000 acres are owned by the State. The private property holders number 9,512,000 (out of a population of 48,000,000), and of these 8,800,000 are small proprietors, each owning 15 acres or less. Estates of 15 acres to 300 acres are owned by 612,803. Estates of 300 acres to 1,500 acres are owned by 19,451. Properties larger than 1,500 acres are owned by 1,942. These last two categories of landowners include, of course, the big landowners in Southern Italy and Sicily, about whose land the present Government has done nothing.

"An American traveller who has just visited Southern Italy was horrified," the *Manchester Guardian* states, "to find one landowner with 90,000 acres near Taranto who had villages of 5,000 inhabitants on his estate where the villagers were underfed, had a poor water supply, and whose children were without shoes and unable to attend school in the winter."

## THE JUST TAX SYSTEM

In a letter to the *Bradford Telegraph and Argus*, January 20th, Mr. H. Binns, hon. secretary of the Yorkshire and Northern Land Values League, wrote:—

"I read in your issue of 12th January, that the speedway organisers at Odsall Stadium are protesting against excessive entertainments tax and are inaugurating a campaign for its reduction. This coincides with a report that the film industry is making similar representations about the same tax which amounts in their case to some £38,000,000 per annum.

"This is but another instance of the penalties which a disinherited public must bear so long as the natural public revenue—the rent of land—is allowed to be collected by private individuals, necessitating the raising of revenue by alternative means, which not only mar our leisure, but directly hamper and frustrate the full development of our natural resources.

"The simple act of replacing taxation on incomes, clothing,

entertainments, tobacco, and the scores of other items at present taxable, with a tax upon the value of land—a value due solely to the presence and activities of the community—would do more to achieve social health and prosperity through the stimulated production and just distribution of wealth than all the so-called progressive legislation with which the Government is attempting to put the country on its feet."

## CIVIC LEADERSHIP'S OBLIGATION

"The obligation of civic leadership rests most heavily on those whose attainments have made them leaders in other walks of life. It is impossible to conduct any important undertaking—business, cultural, religious, or social—in a water-tight compartment isolated from contact with or concern for government and politics. Good government, clean politics, and democratic liberty are necessary to the satisfactory pursuit of any important enterprise or activity. We may think we needn't be bothered, but unless others bother for us we'll learn better, when it is too late.

"So no man is a responsible leader in business or finance or law or industry or labour or education or religion, or even in the arts, who does not assume heavy responsibility for the tone and character of politics and government in his home town. When this rule is universally followed, there will not be the slightest doubt about the future of our country and our way of life, and the safety of both of them in this world."—From the Address by Charles Edison, President of the National Municipal League and former Governor of New Jersey, at the 1948 session of the National Conference on Government.

## NEW YORK LAND VALUES

It was interesting to see stated in a recent number of *Star and Stripes* that when the New York Department of Taxes and Assessments published its latest report, it put on show a letter dated November 5th, 1626, written by Peter Minuit, the then Dutch Governor, reporting that six months before that he had bought Manhattan Island from the Indians for \$24 in beads and buttons. The letter was sent by the Dutch Government to the museum of New York City.

The local taxation system in New York levies the municipal taxes on an assessment, annually revised, of the selling value of land and buildings taken together, which is the system in general application throughout the United States. Of course, this is bad, because buildings and improvements should be completely tax-free and the revenue should be derived by taxing land values only. It happens, however, that for purposes of valuation, the land value of each property, apart from the buildings and improvements thereon is separately ascertained and recorded. For example (year 1946-47) the *land value* of all the properties in the Island of Manhattan is now returned at \$3,500,000,000 dollars—that is, the value of the land alone excluding all buildings and improvements.

Pittsburgh and Scranton, in Pennsylvania are exceptions to what is said about the local taxation system in the States. There, under a special law, the city taxes are so levied that the rate imposed on buildings is half that which is imposed on the land value. Pittsburgh and Scranton have to that extent put the rating of land values into operation.

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