

necessity of human life. It would bring idle land into use, and encourage useful industry.

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The dominant fiscal defect of the present social order is the confiscatory character of most of its tax levies. If a man makes two blades of grass to grow where he made only one grow before, his taxes are multiplied by two. If he does anything whatever which tends to make himself better off and the world a better place to live in, he is taxed for having done it, and in proportion to the value of what he has done.

To tax individuals in proportion to what they earn individually, while exempting any part of the community-caused values which attach to land of any kind, from farming land worth only a few pounds an acre to building lots worth thousands of pounds, is evidently an enormous fiscal defect of the present social order. It discriminates against producers and in favour of land-owners.

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Nor are the ill results of that defect limited to such discriminations. In the making and selling of taxed products there is constant pressure to pass on production taxes from taxpayer to taxbearer, from producer to consumer. This is known as "indirect taxation."

Taxes upon land values cannot be passed on to tenants or purchasers. They are "direct taxes." The owner of land pays them and must himself bear the fiscal burden out of the value of his advantageous site.

The tendency of land-value taxes is to make land prices lower, whereas the tendency of taxes on production is to make prices of products higher. In the latter case the producer gains nothing, for his higher prices are taxed away from him and his market narrowed; the consumer loses, for his cost of living rises.

When wealth has been produced it must be shared among its producers. Sharing of wealth, that is to say, distribution of products, is an absolute condition of wealth production. Although distribution in the sense of sharing, necessarily follows production, expectation of such distribution is by natural law the cause of production. Nobody would produce if it were certain that products would not be distributed in the sense of shared. Although the sharing be in practice unequal, even unfair, the sharing of wealth is by natural law a condition of the production of wealth.

Since by natural law there can be no production of wealth without application of labour to land—human work to natural resources—it follows that the distribution of wealth is naturally governed by the productive relations of labour to land. And that logical deduction is a proved fact. Only as natural law is obstructed by robbery or conflicting legislation or custom, are earners deprived of their full earnings.

SEDITION 100 YEARS AGO.—"The madness of the misguided men who call themselves Chartists has occasioned a serious breach of the peace at Newport, Wales. We are not yet informed of the conclusion of the riot, but it requires no wizard to predict that the next accounts will bring us intelligence of the utter dispersion of the rioters; and in all probability of a lamentable loss of life. Already, it is said, about 12 of the wretched dupes of sedition have thrown away their lives in this insane attempt."—*Glasgow Herald*, 6th November, 1839.

THE LONDON COUNTY COUNCIL BILL

(From the published report "The Work of the London Labour Party, 1938-39")

WITH A VIEW to bringing about a much-needed reform of the rating system in London, and to spreading the cost of London's government more fairly by making the owners of land pay their share, the London County Council decided to promote a private Bill in Parliament for the rating of site values. The Bill dealt with the valuation of hereditaments, the levy of a yearly rate on annual site values of two shillings in the pound, and the application of the proceeds of the rate to the general county account.

Highly technical considerations arose in connection with the preparation of the Bill and we are warmly appreciative of the able work done in that preparation by Mr Charles Latham, Chairman of the L.C.C. Finance Committee, assisted by Mr F. C. R. Douglas, his vice-chairman.

In accordance with the resolution of the last Annual Conference, the London Labour Party conducted a campaign in support of the Bill. Two special leaflets in two colours were printed, and sold to local Labour Parties and other affiliated societies at a very cheap rate. One of these was for house-to-house distribution, stating the general case for the Bill, while the other was designed to commend the Bill to small homeowners. Sixteen-sheet posters were issued, and were displayed on protected hoardings throughout London. A large quantity of double-crown posters was issued free to local Labour Parties, together with a grant towards the cost of bill posting. Special postcards for electors to send to their Members of Parliament were distributed free to local Labour Parties by us. The campaign was started by a conference of Borough and Divisional Labour Parties, held at Denison House, on 13th January, 1939, over which Mr Harold Clay presided, and at which the speakers on policy were Mr Herbert Morrison and Mr F. C. R. Douglas, while Mr Hinley Atkinson dealt with the general organization of the campaign.

The Bill was met by a strong campaign of opposition and obstruction by the landlords' organizations. London ratepayers will have noted that the London Municipal Society fought bitterly against this measure of justice for the present London ratepayer, and issued a leaflet in opposition which sought to make it appear that the land of London is owned by nobody but small homeowners, building and friendly societies, housing associations, sports clubs, hospitals and bodies of that kind.

From the attitude of the Municipal "Reformers" and the Tory Party generally, the Bill seemed unlikely to receive an enthusiastic reception in a preponderantly Tory House of Commons, but London Tory M.P.s showed some anxiety not to have to vote against the Bill if such overt action could possibly be avoided. In the event, the Bill was ruled out of order by the Speaker in the House of Commons on 8th February, 1939, on the ground that the matter ought to be dealt with by public Bill. On 15th February, 1939, Mr Herbert Morrison asked leave of the House to bring in the Bill as a public Bill under the Ten Minutes' Rule, but permission was refused by 229 votes to 135—not one London Tory M.P. voting in favour.

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