> makes more difficult any satisfactory dealing with unemployment in industrial centres, is both just and desirable if the taxation is based on a sound basis of valuation and has regard to the need of encouraging the best economic use of the land.

He is all for drastic taxation with that end in view; but his analysis of Canadian experiments with land values taxation and of the doctrines of Henry George (to whose wisdom and insight he pays a sincere tribute) results in the strange conclusion that certain land may, by its character and situation, have *two* values—one for agricultural and the other for building purposes. He does not see that land in suburban areas should be, and would be, as cheap for housing as for crops once monopoly was destroyed; and failing in that respect, he decides that a heavy duty, leviable only when sales or changes in ownership take place, on the difference between "building value" and "agricultural value" is the best means to make speculation in suburban land impossible, whatever other taxation policy may be applied to purely rural land. A tax imposed only when the so-called increment is discovered would have no liberating effect. It would rather make speculators the more obstinate in seeking profitable transactions, and so retard development. It has all the proved objectionable features of the British Increment Value Duty. We have quoted Mr. Adam's opinion in justice to him, and leave the argument to himself and our readers, who, seeing his lapse in regard to urban taxation, will yet admit the great value of the contribution he has made to the discussion of the land question.

A. W. M.

Mr. Herbert E. Easton, hon. secretary the British Empire Land Settlement League, General Buildings, Aldwych, Strand, W.C. 2, writes:

> In the next issue of your LAND VALUES paper will you kindly make a point of letting its readers know that this office is daily receiving applications for land in the United Kingdom from officers and men at the front. I especially ask you to do this because of the statements made by Mr. Hodge, Minister of Pensions, in the *Daily Express*, to the effect that the difficulty of the Government was to find men to go on the land.

Mr. J. W. Graham Peace writes that he is holding Sunday evening meetings on Clapham Common (6 p.m.). Subject, "The Single Tax" London and district readers cordially welcomed.

TO OUR SUBSCRIBERS.

Owing to the greatly increased cost of labour and paper it has been found necessary to reduce the size of LAND VALUES and to increase its price. Beginning with this September issue—single copies will cost 2d., postage 1d. Annual subscription (including postage) 3/-. This increase will not apply to unexpired subscriptions.

THE RELATION OF PAPER MONEY TO THE COST OF GOLD

Increased Cost of Producing Gold.

At a meeting of gold producers held in London yesterday, at which Lord Harris presided, the Chairman said it had been found impossible to get the ear of the Government on questions they wished to raise by individual efforts, and it was, therefore, desired to attempt by collective means to urge upon the Government the question of the increased cost of producing gold. Sir Lionel Phillips said producers were paid for the gold in currency at the same price as before the war, while the currency no longer had the same value. The meeting recorded its recognition of the wisdom of controlling the disposal of gold during the war. In view of the price of commodities and the increased cost of production, the present fixed standard price in currency was not equivalent to the actual value of the metal. Therefore, it was suggested that losses suffered by gold producers ought not to be entirely borne by them. A committee was appointed to prepare a case for submission to the Government.—*Scotsman*, July 4.

There is to be held to-day a meeting of leading British gold producers to consider the supply of gold. It is said that the output of gold in the British Empire is declining, and that the Government should assist the industry in some fashion to maintain or increase output. It is a very interesting and far from an easy problem. The British Government pays roughly 85s. per ounce for gold. All this means in normal times is that the weight of the gold sovereign is fixed at so much. The purchasing power of gold varied with the fluctuations in commodities. The war, however, has introduced a new factor. In practice no gold circulates, and prices are measured not in gold coin but in paper money. There has been such a flood of practically inconvertible paper money that this paper money is heavily depreciated, and this depreciation is represented in higher commodity prices. If there were a free trade in gold, the paper money would be manifest as depreciated in terms of gold also. That is evident from a single circumstance. A small amount of gold is allowed to be sold for industrial purposes, it fetches 115s. per ounce, as against the 85s. per ounce paid by the Bank of England for coinage purposes. The gold producers complain that they give gold and are paid in a depreciated paper currency, which has a reduced purchasing power when they come to buy stores and pay wages. As a result gold production is becoming unprofitable. If the facts be as represented, the gold industry would appear to have a grievance. But it is going beyond that and suggesting that the nation has some special interest just now, or in the future, in stimulating the production of gold. That is much more questionable. The monetary trouble of to-day is due to the excessive and unwarranted issue of inconvertible paper money, and this excessive issue has been definitely encouraged by the accumulation of gold hoards by the Governments. Any further increase of gold hoards would be an excuse for issuing still more paper and intensifying the evil. What the country needs is not more gold in the Government hoards but less paper in circulation. How the paper money is to be reduced is not a simple question, but the gold industry must not be allowed to assume that stimulating gold production brings us necessarily any nearer to answering it.—*Manchester Guardian*, July 3.