

Protection acts like a hot-house in the development of cartels and trusts, and these again lead to a further increase in the cost of living. . . . The war freed Germany from food tariffs and from a number of tariffs on raw materials. Our Party considers it its duty to oppose with all its power every effort to restore these Protective tariffs.

"We should look upon the maintenance of Free Trade in Britain and its attainment in Germany as a substantial advance towards the mitigation of international relations. There can be no doubt that Protection intensifies antagonisms between States and promotes war-like tendencies."

IRELAND AGAINST PROTECTION

The final report of the Irish Free State Fiscal Inquiry Committee appointed by the Ministries for Industry and Commerce and Agriculture has now been officially issued. The report, while it makes no attempt to recommend a fiscal policy for the country, sets out with such emphasis the objection to Protection as to be virtually a Free Trade document. . . . In the course of "general reflections," the report says: "In spite of the number of witnesses and the great importance of some of the industries which they represented, it will appear, nevertheless, that the volume of industry anxious to obtain a protective tariff is small compared with that which desires no change in the existing system. Several of the most important witnesses—*e.g.*, those who appeared on behalf of the maltsters, the biscuit industry, and the jute industry—were opposed to the application of Protection to their industries, and the Committee must assume that this view is shared by the enormous and important industries which did not offer evidence, *e.g.*, the brewing and distilling industries and the industries connected with agriculture, such as bacon-curing and butter-making, not to speak of agriculture itself."

Even the industries that advocated a measure of Protection, continues the report, were not in complete accord regarding the articles for which Protection is required.

No one proposes any Protection for the main products of agriculture, such as eggs, bacon, and butter, or for such exports as biscuits, beer, and whisky. . . . That a Protection tariff will increase the cost of living in proportion to its extent, and especially if it be applied to articles of general consumption, and in particular to food, is self-evident.

As for the effect of a tariff in inducing foreign firms to establish factories in Ireland, the report says that the result would be that "backward Irish industries will be faced by a home competition from a highly organized rival quite as serious as that from which they have sought to escape."—GLASGOW HERALD, 22nd December, 1923.

Mr. Andrew MacLaren, Labour candidate for Burslem (STAFFORDSHIRE SENTINEL, 28th November): "THE COAL ROYALTY LEVY.—The fact was that at present there was a tribute levied upon industry year after year by wealthy men who were opposing the Labour proposal on the ground that it would burden industry. Take the coal industry. The figures given to the Coal Commission showed the extent to which that industry was being drained every year by those who drew royalties from it—Lord Durham, £38,648 a year; Lord Dunraven, £64,370; the Duke of Hamilton, £115,432; the Duke of Northumberland, £82,450; Lord Tredegar, £84,827; the Marquis of Bute, £115,772; and so on. These were their capital levies. The vested interests were trying to beguile the workers into voting against the Labour Party and perpetuating the present condition of things. If the vested interests raised the question of who took levies out of industry, Labour could answer them."

SMALL HOLDINGS LEGISLATION IN DENMARK

Lord Bledisloe and Mr. Christopher Turnor contribute an article on "Danish Agriculture" in the December NINETEENTH CENTURY, being the result of their own observations in a recent visit to Denmark. The article is noticeable not so much for what it states in regard to land legislation as for what it omits. The writers refer to the Feudal and Entailed Estates Act of 4th October, 1919, and relate how "the date for completing the disentailment of estates" has been postponed at first till 1921, again till 1922, and again till 1923. They say nothing of what the Act has accomplished in the meanwhile in conjunction with the Act passed on the same date for disposing of the lands taken from the feudal and entailed estates. Nor do they mention the most material provision of the accompanying Act, that the newly created land-holdings are granted to the smallholders with all the rights of proprietorship, subject to what is in effect a quit rent, now at the rate of 4½ per cent of the selling value of the land, and the selling value is revalued periodically on the same date as the general periodic valuation of all the land in the country. The new smallholders pay that rent for the land alone. The State advanced loans, repayable over a term of years, for the construction of buildings and other necessary improvements.

Mr. Abel Brink, our trusted co-worker in Denmark, who spoke with authority at the recent International Conference in Oxford, has sent us copies of the Acts, and states that according to official figures so much land has been secured under their provisions that already 1,843 independent small holdings have been established, every holding big enough to support a family, and in addition nearly 800 existing small holdings have been increased in size. The Acts empowered the State to enforce an old right whose assertion had been long in abeyance. One-third of the estates of the feudal manors, and the main part of the Church lands were taken for the establishment of small holdings. By the same Acts the landlords were established as freeholders of the remaining two-thirds of their estates, and in return for that concession had to make payment to the State by a levy of 20 to 25 per cent on the value of their feudal and entailed property. Out of this levy a "land fund" was established, amounting to approximately 100 million crowns (say £4,000,000). From that fund the estate owners were to be compensated for their expropriated property at a price assessed by the supreme Land Valuation Court. As to the new small holdings, now valued at approximately 100 million crowns, the State will draw the rents in the years to come, the smallholders holding the titles to the land as if they were freeholders. It is not a case of State lease or tenancy. In a sense a condition of affairs has been set up comparable to what would exist under Single Tax conditions, except that the smallholders have to pay the existing taxes, to which everyone else is at present subject.

Mr. Brink gives us information of other small holdings' legislation based on very different principles. An Act was passed in 1899 for developing peasant ownership with the help of State funds. It was the first Act of its kind; and since then schemes of land purchase have also been undertaken not with direct aid from the State, but through associations of smallholders who borrowed the purchase money on their joint credit. Under the Act of 1899, the State advanced loans up to 90 per cent. of the value of the land which the smallholder was about to purchase. Until 1914, the interest on such loans was 3½ per cent; it is now 4½ per cent. Through land purchase about 11,000 holdings have been established, most of them too small to support a family and in most cases the land has been too expensive or too poor.

The result of these land purchase schemes was a considerable rise in the price of land, of which the new holders have

to bear the brunt. The position is put clearly in the figures published by the Danish Statistical Department. The price of the holdings purchased up to the year 1921-22 averaged 8,325 crowns, while the same lands stood in the records of the Land Valuation Department at an average of 4,574 crowns. In other words, the smallholders paid 82 per cent. more for the land than its assessed selling value for purposes of taxation.

This experience in Denmark should be a warning to those who, alas, even in the name of the Liberal Party, propose measures for peasant ownership at the cost of the taxpayer. In Denmark, the great bulk of the peasants, to whom Lord Bledisloe and Mr. Christopher Turnor pay a just tribute for their skill and industry, are well aware of the solution of their economic problems. They want exemption of their improvements from taxation; they stand for land values taxation and real Free Trade. That way, they see equal opportunity for all; and disclaiming special privileges or State bounties in any shape or form, they demand for each who is industrious the full earnings of his industry. A few words on this attitude of the Danish small peasantry, easy to be discovered by any impartial student of Danish agriculture, would not have been out of place in the NINETEENTH CENTURY.

Bearing on this, the widespread sentiment for Land Value Taxation in Denmark, eagerly supported as it is by the mass of small peasant owners, is proved in the legislative progress already made. A special valuation of the land in town and country alike has been made not once but three times within recent years. It has ascertained the value of land apart from improvements. It will be revised in 1927 and thereafter every fifth year. And, what is of greatest importance, on 1st January, 1924, a national tax on the value of all land, apart from improvements, comes into operation with a corresponding remission of taxation on improvements. The tax is small in amount, but it is on right lines as it applies to all land without graduation or exemption and replaces taxation of improvements. Legislation has also been framed by the Government for the Taxation of Land Values by the local authorities, and it is only a question of time when a Bill for this purpose will be introduced in Parliament.

In Denmark there is a growing appreciation of these principles, underlying a just system of land tenure. It is due to that fact that such a fundamental difference underlies the provisions of the two Acts (that of 1899 and of 1919) for securing a position to the smallholder on the land. Economic progress in Denmark is primarily influenced by the policy known as the Taxation of Land Values.
A. W. M.

THIRTEEN ACRES

At an extraordinary general meeting of the City of London Real Property Co., Ltd., held at the Cannon Street Hotel, London, E.C. (THE TIMES, 4th December), the Chairman, Mr. W. E. R. Innes, remarked . . . the directors feel that the balance-sheet no longer provides the shareholders with an accurate statement of the company's position. The valuation so made shows a total of £10,718,034, as against the cost as shown in the balance-sheet for 1923 of £3,871,064, being an increase of £6,846,970. Of this total the shareholders will be gratified to know that £7,386,760 represents freeholds, or upwards of two-thirds of the total value. . . . I can tell you as a kind of guide to the extent of your operations that the buildings the company own in the City cover an area of approximately eight acres of freehold properties and five acres of leasehold, out of the total area of one square mile of which the City consists.

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THE SIMPLICITY OF LAND VALUATION

If you wish to test the merits in point of certainty of land value taxation as compared with other taxes, go to a real estate agent in your community and, showing him a building lot upon the map, ask him its value. If he inquires about the improvements, instruct him to ignore them. He will be able at once to tell you what the lot is worth. And if you go to twenty other agents, their estimates will not materially vary from his. Yet none of the agents will have left his office. Each will have inferred the value from the size and location of the lot. But suppose when you show the map to the first agent you ask him the value of the land *and* its improvements. He will tell you that he cannot give an estimate until he examines the improvements. And if it is the highly improved property of a rich man he will engage building experts to assist him. Should you ask him to include the value of the contents of the buildings, he would need a corps of selected experts, including artists and liverymen, dealers in furniture and bric-à-brac, librarians and jewellers. Should you propose that he also include the value of the occupant's income, the agent would throw up his hands in despair. If without the aid of an army of experts the agent should make an estimate of these miscellaneous values, and twenty others should do the same, their several estimates would be as wide apart as ignorant guesses usually are. And the richer the owner of the property the lower as a proportion would the guesses probably be.

Now turn the real estate agent into an assessor, and is it not plain that he could appraise land values with much greater certainty and cheapness than he could appraise the value of all kinds of property? With a plot map before him he might fairly make almost all the appraisements without leaving his desk at the town hall. And there would be no material difference if the property in question were a farm instead of a building lot. A competent farmer or business man in a farming community can, without leaving his own door-yard, appraise the value of the land of any farm there; whereas it would be impossible for him to value the improvements, stock, produce, etc., without at least inspecting them.—From Louis F. Post's OUTLINES OF LECTURES ON THE TAXATION OF LAND VALUES.

"A Business Man of Sixty-five," in a letter to the SPECTATOR, 24th November, on the Capital Levy, incidentally proves with what readiness land can be valued. He declares:—

"I have the misfortune to possess another block of valuable property, which though not liquid is considered to possess a considerable value, in the shape of a country house within thirty miles of London with a hundred and ten acres of land attached thereto. This land will, no doubt, some day be worth on an average something between £200 and £400 an acre. I bought it twenty-five years ago at an average price of £120 an acre. No valuer, I am told, would put it at less than £200 an acre. Some of it has recently been valued a good deal higher than that. I have on it a house which cost some £15,000 in building and garden making. The value of this house with twenty acres of garden and grounds is said to be about £15,000. The rest of the land, about ninety acres, is valued at about £16,000."

This looks a promising site for the Valuation Department when it comes to be re-equipped.

BOOKS RECEIVED

- The Deportations Delirium of Nineteen-Twenty.** A Personal Narrative of an Historic Official Experience. By LOUIS F. POST, Assistant Secretary of the U.S. from 1913 to 1921. Charles H. Kerr & Company, Chicago. \$1.50.
- Unemployment and Our Revenue Problem.** By JOHN S. CODMAN. B. W. Huebsch, New York. \$1.