

factories and warehouses, Limitation of Supplies Orders and the concentration of industry. And now compulsory savings. But in all this there is no control of land speculation; no taxation of land values.

Sir Kingsley Wood also rejoiced at the low rate of interest on Government borrowings. This will mean, he said, that post-war expansion and recovery would start with a lighter interest burden. "In rebuilding our cities after the war the maintenance of a low rate of interest will do much to ease the financial problem." Here we see another attempt to keep wages and interest at a lower level than if uncontrolled and left to normal economic influences. Meanwhile, land is outside this controlled sphere, and rent will rise as wages and interest decline. Those who will continue to seek high returns will simply invest in land, and there is ample evidence, referred to later, that this is what is happening. A tax on the value of land would be effective control against speculation, at the same time increasing those "available supplies" to offset increasing spending powers. But the only mention of such a tax in the Budget was that it was impracticable in war-time, "apart from other considerations." This is pretty thin as an excuse, in view of the ease with which control schemes of all kinds can be operated. No doubt the "other considerations" weigh most with the Chancellor, who will not fail to consider the claims of the vested interest in land monopoly.

Meanwhile, as stated, "The Price of Land is Soaring," to quote the headline in the London *Evening Standard* of April 22. Prices of land, this paper says, are almost double pre-war prices. Good farm land worth £30 an acre before the war, is now selling at £80 per acre. In a number of cases land has realized £100 to £150 an acre. This land, of course, is not assessed for local taxation purposes at any value at all. One authority states there is hardly any land left for sale. "The most popular investments are rich dairy farms of between 150 and 500 acres. The large joint stock banks and insurance companies have been very active in these land purchases. People feel that land values are more likely to remain constant than those of movable commodities. Land is least susceptible to bombing."

The pages of *Land & Liberty* for April and May continue to give many more instances beside the above of the unchecked ramp in land. Public opinion is far in advance of the Government on this question. The Commissions set up on Reconstruction, on the Bombed Sites scandal, etc., promise their reports and plans. There are suggestions to fix the price of bombed land at its pre-war level; also that the Government or the local authorities should buy up such land. There is a proposal that the City of London should purchase all the land in its area. All the time there is no doubt that the public are ready for bold legislation on Henry George lines to end the "racket" not only in bombed sites but in all valuable land, town and country alike.

Our Canadian Letter

From HERBERT T. OWENS

CANADA'S FINANCIAL STATUS

PARLIAMENT has been dealing with Canada's record budget. Expenditures for the next fiscal year are estimated at \$1,768,000,000, and may, of course, go higher. In addition, the financing of our own and Great Britain's purchases in the United States will very probably increase our commitments to \$2,500,000,000. That is quite a far cry from the tempo of \$500,000,000 which was the pre-war rate of spending of our federal government.

In pre-war days, customs, excises, sales tax and income taxes were the main reliance as income sources. Today consumption taxes, though larger in volume due to more general employment and a larger national income, have not been unduly increased, but income taxation is much steeper. For war purposes, resort was had to a national defense tax of 2% on wages, and it is now proposed to raise this to 5%. An excess profits tax was also imposed last year as a war measure, and this is being made heavier. A tax on interest and dividends payable may be modified due to a protest from the Premier of Ontario. Sugar will pay an extra cent a pound, a total of 2c, which is in the nature of an extra consumption impost, and another whack is taken at cosmetics and toilet preparations. A tax on purchases of automobiles and buses is also increased in the new budget. All classes of imbibers will be hit by new taxes on beer, malt and wine as well as on carbonic acid gas used in soft drinks.

The government is invading the following new fields: Inheritance taxes, or succession duties, hitherto the exclusive domain of the provinces, will yield an estimated \$20,000,000 to the federal exchequer. There will be a federal tax on gasoline gallonage of 3c a gallon. All types of transportation tickets will carry a tax of 10%, while a 20% impost will be put on receipts of movie theatres. A tax on race track betting is expected to yield \$1,000,000.

Predictions that the sales tax would be increased have not come to pass, and the government has evidently developed a conscience on this particular consumption tax. The sales tax rate of 8% has been left as it is, with this exception: that building materials, which have been exempted from sales tax for the last few years, are now made subject to the tax. The sales tax is expected to yield \$203,500,000.

There is one item in the expenditures which is reminiscent of the New Deal and that is an item of \$35,000,000 set aside to provide for payments to "stimulate reductions in wheat acreage"—because the Western wheatgrowers have been producing chronic surpluses of this commodity.

In order to prevent overlapping, the Finance Minister has revived a recommendation of the *Sioux Royal Commission* that the provinces should abandon income and cor-

poration tax fields, only the proposal now is that this should be for wartime duration. The provinces have been offered a *quid pro quo* so that their revenues will not suffer, and all of them but Ontario have signified some agreement, and it is thought that Ontario will climb on the band wagon, too.

The proposed new levels of income tax are being criticized in some quarters because they are not steep enough. The combined federal and provincial income taxes in Ontario, Prince Edward Island and Quebec permit the married taxpayer still to enjoy \$85,000, \$88,000 and \$90,000 respectively of his \$500,000 income, whereas the \$1500 income has to pay \$75 plus \$30 wages tax, leaving \$1,395 net. Manitoba and British Columbia permit a taxpayer to retain \$69,000 and \$47,000 respectively out of a \$500,000 income. On the other hand, Alberta and Saskatchewan demand virtually a capital levy, for the income taxpayer in those two provinces, after the federal government has its cut, pays \$48,000 more than his \$500,000 income in Alberta and \$83,400 more in Saskatchewan. That is one reason why the wealthy and the framers of the Sirois Report want the provinces to abandon this field so that there will be uniformity. The feeling has been voiced in parliament, however, by the Socialist and Sorced groups that such sums as those still permitted in the highest brackets in most of the provinces are much too generous; and this correspondent agrees.

THE ST. LAWRENCE SEAWAY

Since the signing of the agreement between Canada and the United States on the St. Lawrence Seaway, provision has been made for the huge Beauharnois power development in Quebec province, now in private hands, to be expropriated and turned over to the Quebec Hydro Commission. Up to the present, practically all of the hydro development in Quebec has been by private interests, in contrast to Ontario where practically all water powers are a public monopoly. The private power interests in Quebec had their spokesmen in the lower house, and Premier Godbout had to use his influence to obtain the passage of the measure. He said: "When all other provinces are putting electricity under state control, I don't want Quebec to stay behind . . . We don't want to antagonize anyone. But we cannot allow companies to retard the development of our resources. I want Quebec province to move ahead of all the others in the after-war period. This provincial hydro has been promised by practically all governments and by all government leaders." The lower house passed the bill, but some opposition is being met in the upper chamber. It is to be expected that the action of the U. S. Congress on the seaway scheme, will affect not only public ownership of hydro in the United States, but also in Quebec.

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Note to Readers

WE are desirous of securing copies of the May-June 1911 and September-October 1912 issues of LAND AND FREEDOM (then known as THE SINGLE TAX REVIEW). The May-June 1911 issue was a Special Number for Vancouver, and the September-October 1912 issue was a Special Number for New Zealand. If any of our readers have copies of these numbers, or one of them, and would be willing to part with same, please communicate with us, quoting the prices desired.

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We have available for free distribution extra copies of LAND AND FREEDOM for the years 1934 to 1939. The issues for those six years contain innumerable articles of enduring value, and should be circulated widely. They are especially excellent for introducing new people to the philosophy of Henry George. Copies of these issues, in the quantity desired, will be sent upon request. For each copy, enclose a 2c stamp for postage. In the following list, one article from each issue has been selected, to give some idea of the range of subjects covered, and to help you make a selection:

- Mar.-Apr. 1934—Harry Weinberger on the N. R. A. Hearings
- May-June 1934—Albert Einstein on Henry George
- July-Aug. 1934—Death of Oscar H. Geiger
- Sept.-Oct. 1934—Analysis of New York Slums
- Nov.-Dec. 1934—Comparison of Henry Ford and Henry George, by C. O'C. Hennessy
- Jan.-Feb. 1935—Complete Single Tax Questionnaire, by H. J. Foley
- Mar.-Apr. 1935—Gold Clause Cases, by R. V. McNally
- May-June 1935—Henry George School Progress
- Sept.-Oct. 1935—Statement on the Single Tax, by Henry George
- Nov.-Dec. 1935—Statement on the Single Tax, by Henry George
(continued)
- Jan.-Feb. 1936—Figures on Land Values, by G. H. Duncan
- Mar.-Apr. 1936—Curiosities of Taxation, by J. D. Miller
- May-June 1936—Economic Aspects of Land Titles, by W. Fairchild
- July-Aug. 1936—The California Campaign, by J. H. Ralston
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- Mar.-Apr. 1938—The Story of Joseph II of Austria
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- July-Aug. 1938—Henry George, Jr.'s Campaign, by J. H. Newman
- Sept.-Oct. 1938—A World Survey of the Land Question, by M. Bateman
- Nov.-Dec. 1938—Federal Laws on Land Tax, by B. W. Burger
- Jan.-Feb. 1939—Public Education as a Course of Social Action, by Will Lissner
- Mar.-Apr. 1939—Public Education as a Course of Social Action, by Will Lissner (continued)
- May-June 1939—In Memoriam—Joseph Dana Miller
- Sept.-Oct. 1939—Centenary of Henry George
- Nov.-Dec. 1939—The Father McGlynn Case