

News—Foreign.

SCOTLAND.

We have received from ex-Bailie Peter Burt, of Glasgow, Scotland, the "Precis of Evidence" containing the testimony given by him before the Select Committee on Land Values Taxation Bill (Scotland) at Westminster. Mr. Burt, whose services to the cause are well known in this country, "said he was in favor of the taxation of land upon its full value irrespective of the use to which it might at present be put."

Mr. Burt went on to state:

"The rating of site values is of special importance in connection with the urgent problem of providing house accommodation for the working classes. The present heavy rates on buildings tended to aggravate these evils, and the rating of site values would help to mitigate them. If more of the burden were thrown on sites the portion left to be borne by buildings would be diminished; and this would weigh with the builder who was hesitating to embark on the erection of new structures. That was a plain statement of the case. Land was being held out of use at monopoly prices, and 60 per cent. of the people were living in houses of one and two apartments. The men who made improvements found their rates continually going up, while landlords, exempt from taxation on their idle land, found its value constantly increasing. In and around the city of Glasgow and all other towns land was held up at famine prices by the owners in expectation of securing the increased value which further industrial extension and public improvements would bring. Land lying idle or rented at from £2 to £3 per acre per annum for agricultural purposes, and rented at this low rental value, rose in price to £30, £40, £60, £100, £200, and more per acre per annum when it was wanted for building or industrial purposes. The price was fixed according to the extent and needs of the community. This condition was a standing obstacle to the better housing of the people and to employment, and was directly responsible for the conditions which so many of our fellow-citizens were compelled to endure. For example, when the Cathcart School Board wanted the use of land on which to erect a public school the price rose from £3, 10s. per acre per annum to £100 per acre per annum. The Glasgow Social Union, who resolved to build houses for the working classes, had to pay the corporation for the ground they occupied at the rate of £4,400 per acre, or over £200 per acre per annum.

The Glasgow Corporation paid £99,000 for 82 acres at Tollcross for a public park. At once 12 acres of adjacent land rose from £350 to £500 per acre. Two years afterwards it was stated in the Town Council that the price of this ground had risen to £1250 per acre. The Corporation paid £48,-

500 (£1,000 per acre) for 48½ acres of swamp land, between the river Clyde and Rutherglen Road, as an addition to the Glasgow Green. The site upon which the Glasgow Municipal Buildings stand changed hands over a hundred years ago for 2s. 8d. per square yard, or some £800 in all. When the Corporation bought this site some twenty years ago, they had to pay for it £175,000—equal to £35, 16s. per square yard. The Corporation paid £8,000 for 70 square yards of ground at the foot of Buchanan Street, for the purpose of widening the pavement there. This is equal to £551,760 per acre. At the time of this purchase a Glasgow newspaper stated that: 'In 1777 this same piece of ground formed part of a plot that was sold at 2s. 6d. per square yard, or at the rate of £600 per acre.' In 120 years this site rose in value from 2s. 6d. to £114 per square yard—from £800 to over a half million pounds per acre. He heartily approved of the first clause of the bill, which provides for the separate valuation of land apart from improvements. Such a measure, if passed into law, would be the means of settling at least two points over which has arisen a great deal of controversy—the possibility, first, of separating the value of the land from the value of improvements; and, secondly, of determining the amount of said values. With these two points settled, the issue becomes a mere matter of the amount of the tax on land values per £1 necessary to raise a certain revenue. It would then be comparatively easy to apply the principle either for national or local purposes, or both.

Many of the opponents of the proposal to tax land values affirm that it is impossible to separate the two values, but in my view this objection is fully and clearly met in the minority report of the Royal Commission on Local Taxation, which says, page 168:

"The value of anything is what it will fetch in the market. A building and its site can only come into the market together, so long as the building stands. It may thus be urged that it is improper to assign a value to one of the elements of the composite whole, since neither element can be the subject of a separate transaction, so long as the whole remains in existence. The reply is that indisputably the site would have a value if clear of buildings, and that this conception of site value is a perfectly clear one, and is necessarily used by surveyors in daily business.

According to the separate valuation of lands and buildings in the city of New York, the value of the land works out 60 per cent. of the total value of land and buildings. The total annual value of land and buildings of Glasgow amounts to about £5,750,000. On the basis of the New York separate assessment, the land value of Glasgow, taken at 60 per cent. of the total value of land and buildings, would be, roughly

speaking, £3,450,000; but take it at only 50 per cent. of the total rateable value, the annual land value of Glasgow would be £3,875,000. A tax of 2s. in the £1 on this value would yield £287,500, and as the total taxation in Glasgow for all purposes is £1,396,000, a tax of 48 per cent. on the land value would produce a sum sufficient to pay the whole of the city's taxation. That is to say, that if all the revenues necessary for the upkeep of the city government were taken from land values, the present owners would still retain 52 per cent. of this value, which, in the language of the Royal Commission of the Housing of the Working Classes, 1885, 'is no recompense for any industry or expenditure on their part, but is the natural result of the industry and activity of the townspeople themselves.'"

Mr. Burt cited the experience of New Zealand, quoted at some length from Senator Bucklin's report, and reviewed some of the land legislation of the past.

GERMANY.

PRUSSIAN SURVIVAL OF THE FORMS OF COMMON LAND RIGHTS—CONSEQUENCE OF THE LOSS OF SUCH RIGHTS IN MISERY AND SUFFERING—GERMANY AWAKENING TO THE NEED OF LAND REFORM.

In my report, published in the Summer number, two items have been misquoted which I think it right to mention, so as to avoid misconceptions. The one is, that the tax on land values in our towns was started at 3 to 4 *per mille*, and *not per cent.*, and that not only some communities of the old imperial city of Vienna have joined our league, but that city itself as represented by the town council and the mayor.

As I mentioned last, we have in Germany a great many forms of land tenure still reminding us of the time when land was public property. So have some of our mining laws kept that character up to a comparatively late period.

Whilst in some parts the owners of the surface soil are by rights likewise owners of all underlying mineral, coal or salt deposits, in ancient Prussia these were kept under government control, and the great Frederic, who was not only a great warrior, but also a man of enlightened ideas upon political economy, specially insisted upon the prerogative of the crown in disposing of such mineral wealth. Up to the year 1865 the Prussian government had the right to open any mine on anybody's estate by a simple decree, the owner of the soil being simply recompensed for the land necessary to put up the machinery and to work the mine; and, in case the government granted these rights to private persons or corporations, it kept the seignory, and the grant was subjected to a royalty of 1-10 to some-

times 1-5 of the output, besides the strictest state supervision. All mines not properly worked, or abandoned, fell back to the state. Thus it could not happen, as it has done frequently of late, that some mines are kept idle, which it would pay to work, and which yet are closed, so as to limit the output and to enhance the rents of the larger holdings.

In some mining districts a great deal of misery has been caused by this policy of the coal trust. Many small holders, tradespeople and miners, who have founded their homesteads near such laboring centers, in the firm conviction that in reasonable time they would not cease to exist, found their little investments suddenly and almost totally depreciated, with no chance of recovery as long as the self-willed trust is allowed to exercise its sway.

Fortunately, public feeling has been roused pretty strongly on this point, and as the existing mining laws led to other abuses even more glaring, the Prussian Diet has suspended some for two years, during which time a new law is to be prepared.

Hitherto, anybody had the right to prospect on anybody's property for coal, minerals, salt, oil, etc., against a payment of \$12.50 and a stamp duty of 37 cents, and any deposits being discovered, a claim was granted to him of over two millions of square meters in area, subject to no conditions whatever as to exploration. At the time these regulations were made the legislators thought to promote the discovery and increase the output of coal, minerals, etc., trusting to the influence of free competition as a safeguard against any abuse of the powers thus granted.

No wonder that, when competition was killed by the big trusts, they found a splendid opportunity of monopolizing the hidden treasures of national wealth. Powerful boring companies were formed, which prospected wherever there was a chance of discovering anything, and these companies claimed enormous areas underground, so that they now control the bulk of our coal deposits, which are said to be the largest in the world. About a year ago the International Boring Company sold claims to the extent of \$9,000,000 to the coal trust, and distributed a dividend of 500 per cent to its lucky shareholders.

Now the horse is stolen, they try to look the stable. A great many voices throughout the country are raised in favor of nationalizing the whole mining industry, a step that would have been comparatively easy as long as free competition kept values on a normal basis, but which would mean an enormous sacrifice to the public now that a monopoly value has been created. However, something will be done in the direction of checking the power of the trust, and that, we have every reason to hope, will lie in the line advocated by us land reformers. Some of the minor German states have pro-