

have to pay. But this does not necessarily mean that the Smiths will be better off than the Browns or that it would be more profitable for them to give up their milk run and go in for producing butter or wool; though rising exchange will always be one factor in encouraging people to produce exportable goods. The only way to reduce the rate of exchange is to produce plenty of exportable goods. A general attempt to do so will surely be met by a rise in the price of land on which the exportable goods must be produced, also tariffs on machinery and stores used in the production of the exportable goods will, by enhancing the cost of their production, increase the difficulty of placing them on the market of the world.

It must be noted that although Brown does his business through a bank, the effect is the same, and he does it in that way because the bank charge is less than the bother of hunting up a Smith and dealing with him.

E. I. S. H.

Miscellany

TAXPAYERS MUST GIVE HARDOONS \$337,720 FOR ONE-SIXTH-ACRE

The decision of the land commission of the Municipal Council to give Mrs. Liza Hardoon the sum of Tls. 337,720, equivalent to about \$130,000 in U. S. currency for slightly over one-sixth of an acre of land on Nanking Road for street-widening purposes accords strictly with the principles of Anglo-Saxon law with respect to the acquisition of private land for public purposes. But even though it accords with legal principles there will be many foreigners and Chinese, land owners as well as non-land owners, who will not relish the idea of digging down into their pockets in these difficult times to pay their portion of this considerable sum of money. According to the evidence brought out at the hearing, S. A. Hardoon purchased the property in 1919 at a rate of approximately Tls. 60,000 for one-sixth of an acre, amounting to about \$80,000 in U. S. currency, according to the high silver exchange rate prevailing at that time.

S. A. Hardoon came to Shanghai many years ago by the Bagdad-Indian route and every dollar he acquired in real estate transactions he invested in Nanking Road property—to such an extent that he became the largest owner of frontage on both sides of Shanghai's chief retail street. The buildings he constructed were jerry-built of cheap mud-bricks and plaster, often of such inferior materials that sections frequently fell into the street, endangering the safety of pedestrians. Under the antiquated system of taxation that prevails in Shanghai, the shop-keepers who rented the buildings had to pay the taxes. Therefore, all Landlord Hardoon had to do was sit back and collect his rent, which he steadily increased as the leases expired. Hardoon spent little or nothing to improve his property and if a tenant required a new front window or other improvement, the tenant had to spend the money himself. As Shanghai grew and the crowds became denser and denser on Nanking Road, Hardoon became richer and richer, until at the time of his death a few years ago he was worth well over \$50,000,000. All of his wealth went to his widow, a woman of Chinese nationality, who lives in seclusion in the large estate surrounded by a high brick wall on Bubbling Well Road. Soon after his death several relatives from the protectorate of Iraq turned up in Shanghai to claim a portion of the estate, but the British court refused to entertain their claims. When Hardoon died he was land-poor, meaning that there were no liquid assets available to pay the British inheritance tax, in consequence of which it became necessary for the estate to float a bond issue to pay the taxes.

For many years Hardoon constituted the largest single handicap

to the improvement of what should have become one of the best retail streets in the world, comparable at least to the Ginza in Tokyo. His refusal to improve his property resulted in Nanking Road being a street of cheap, insanitary shacks, many of them unsuited for occupancy and unfit for human habitation. Today, owing to the economic depression and the falling off of tourist trade, few of the retailers on Nanking Road are able to sell sufficient merchandise to pay their rents, but there has been no tendency to reduce rentals. Hardoon contributed little to charity throughout his long career, and while he received the best possible protection under British extraterritorial jurisdiction he paid no taxes to the British treasury, at least not until after he was dead, and since his property was located within the Foreign Settlement he likewise paid no taxes to the Chinese Government. The attorneys for the Hardoon estate, in the recent hearing demanded \$564,108.97 for the narrow strip of property which the city required for widening the street. The award of Tls. 337,720 which the estate received accords strictly with accepted legal conceptions, but as stated in the foregoing, the decision of the land commission will bring little joy to Shanghai's now sorely-harassed taxpayers.

China Weekly Review.

HOW WE STRANGLE TRADE

On Thursday, before the millionth bale left the port on a departing steamer, Houston had exported 989,566 bales of cotton this season. At the same time last year exports totaled 1,989,001 bales. The port was reaching the second million in exports instead of the first.

It is not difficult to understand what this terrific loss in tonnage means to the port. It does not require a statistician to compute the slump in employment resulting from loss of markets for a million bales of cotton in a single year or the monetary losses involved.

The loss of more than half of our cotton export business is the most serious problem confronting Houston as a port. This threat to an industry which has a huge investment in this city and provides employment for literally thousands of persons is serious enough to challenge the interest of every Houstonian.—*Houston Post.*

FRANCE AND BELGIUM

Terre et Liberte (18 Ave. de la Criolla, Suresnes, Seine, and 7 Ave. Wolvendael, Uccle-les-Bruxelles) for January-March, 1935, is largely a "Spanish" number. Much care is given to study of the Socialist land laws, which were a large factor in the anti-Socialist reaction of today, including as they did many proposals of which Georgists could not approve. A table shows that of five millions of agriculturists there are two millions of paupers or proletarians with no land; and a quarter million poor peasants with an average holding of one acre; one million small owners with an average of twelve acres; 700,000 more comfortable with an average of fifty acres; while 50,000 large owners have more than 1,200 acres, of whom the really important are a mere handful. One per cent of the population "own" fifty-one per cent of the country; while there are in the Estremadura alone 35,000 "Junteros," idle, "capitalist laborers," with a plough team of their own, offering to work land on shares. The plans to buy estates above a certain *area* (often below a standard of cultivation) and let them in small equal holdings to unemployed are very costly and unlikely to give any lasting result—certainly as compared with transfer of tax burdens to site value as demanded by an increasing number of civic bodies. The review also contains an incisive article by Mr. Sam Meyer on "Planning and Liberty" and a comparison of the Land Laws of Solon with the proposals of Henry George by Mr. P. Gianellia.—M. J. S. in London *Land and Liberty.*

CHILE MOVES IN THE RIGHT DIRECTION

Some fifty years ago, while employed as a gas inspector for his city, Henry George wrote his brilliant book, "Progress and Poverty." His contention was a single tax on land exclusively would be a panacea