

Free Trader, the Free Trader within brackets? It is that the Chancellor is deceived because there is unemployment also in the tariff-ridden countries, that the work he would make would be transferred, not from a factory abroad, but from the docks and the wharves or from some British industry producing for export. The unemployed man is not listening. He only knows that in a country, said to be enjoying the blessing of Free Trade, ten years or more have passed in which week by week the unemployed have been counted by the million.

GARDEN CITIES AND LAND VALUE TAXATION

By George Crosoer

Speaking at the Annual Meeting of the First Garden City, Ltd., held at Letchworth (*Citizen*, 18th December, 1931), Sir Edgar Bonham-Carter, Chairman, referring to last year's Land Value Tax Finance Act, said:—

"Speaking as your representative, I am not concerned with the merits of a plan of taxation of land values as applied to landowners generally, but the case for the exemption from any such Tax of Companies which are engaged in the development of Garden Cities and the dividend of which is limited, is unanswerable, and the incidence of the Tax, as charged by this year's Finance Act, on the Company's Land and Ground Rents, is so grossly unjust and so contrary to the public interest, that I cannot but believe that any fair-minded man whatever his political views, who takes the trouble to ascertain the facts, will agree that, if the Tax remains on the Statute Book, the Company and other similar companies must be exempted."

The case of Letchworth has by no means been overlooked by the supporters of Taxing Land Values. Among these might be mentioned Ebenezer Howard, the founder of Letchworth. And the employment of land values in the public benefit, instead of the enrichment of an individual, was the basis on which his scheme was erected. It might, perhaps, seem strange to find the Chairman of First Garden City, Ltd., denouncing the measure of valuation and taxation for which many far-seeing individuals have worked so hard, and which should attach a permanent celebrity to the name of Philip Snowden.

Sir Edgar Bonham-Carter, chairman of First Garden City, Ltd., is deservedly respected for ability and judgment together with other desirable qualities, and we have to admit his view that the case of Letchworth differs materially from that of the ordinary proprietor of land which acquires a value for building. The dividend of the ordinary shareholder is limited to 5 per cent, and any excess over that goes to a fund to be expended upon necessary improvements and public benefits. Something substantial has already been done on these lines, and more is hoped for the future. But it is by no means clear that the Budget of 1931 is so hard upon Letchworth as Sir Edgar thinks. The ground rents receivable at the present time are about £15,000, and there are other receipts of which a part only is land value. The maximum tax on the ground rents might be £2,500 without reckoning the various allowances, which are very considerable. As regards the rest of the area designed for building, the prospective or speculative value is probably much less than would at first appear. The Company cannot be regarded as a speculative holder of land; its policy has been to develop it as fast as possible, and the ground rents, especially to the earlier settlers, are quite low. These points were well brought out in Sir Edgar's speech, but it seems reasonable to infer that the "prospective" value of the land at present unused is not large and the burden of the land value tax, though appreciable, would not involve disaster to the enterprise.

Moreover, there is another side to the matter. The Company probably suffers far more from the excessive Income Tax and other industry taxation than it could do from the Land Value Tax. Income Tax is not only paid upon the ground rents and other receipts (the Act of

Without the freedom to produce, the freedom to trade can achieve nothing for the emancipation of industry. The case is in the hands of those Free Traders who can show where is the natural source of the public revenue, a source belonging to the whole community which, being appropriated, takes nothing from the earnings of labour or capital. It is to the Taxation of Land Values that the Free Trade movement must turn, united in the understanding that this is the way to remove the barriers to production and open the door to unemployment in every occupation.

A. W. M.

1931 makes large allowances for this in assessing the new tax) but it is a cause of the high rate of interest which has to be paid upon borrowed capital. Now, First Garden City, Ltd., has over £666,000 in debentures, overdrafts and similar indebtedness, upon which 6 per cent interest is paid. Many persons will remember how, before the era of excessive taxation, money could be raised at about 4 per cent upon security of the sort we are considering. If that were possible now, it would mean a saving of £10,000 yearly. The reason that it is not possible is that capital is made comparatively scarce and dear by excessive taxation, largely associated with unemployment, arising in the first place through private appropriation of land value, and aggravated by the heavy taxation and cumbrous schemes designed ostensibly for its relief.

One of the most important parts in the doctrine of Henry George is that which shows how, under present conditions, movements for the betterment of humanity are bound to end in disappointment.

AUCTIONEERS AND ESTATE AGENTS

An important Paper was read by Mr William Ridgway, P.A.S.I., before the London Junior Members of the Auctioneers' and Estate Agents' Institute, Lincoln's Inn Fields, on 10th December. It was entitled "The Evolution of Local Government," which, after an instructive historical survey, dealt particularly with the question of local taxation. Mr Ridgway condemned the existing system and advocated the rating of land values. His arguments were illustrated on the one hand by examples of the prices municipalities have had to pay for land as compared with the ridiculously unfair "rateable value" on which local rates had been previously levied; and on the other hand by the causes attending the application of the land value policy in Denmark and elsewhere. Denmark also provided by its systematic procedure and use of land value maps a lesson for ourselves in the making of land value assessments. Mr Ridgway as a chartered surveyor gave much other authoritative instruction to the junior members of his profession.

MR ANDREW MACLAREN

As we go to Press we are pleased to announce that at a meeting of the Burslem and Tunstall Labour Party Mr Andrew MacLaren, ex-M.P. for the division, was unanimously adopted as prospective Parliamentary candidate at the next election. His re-adoption was practically a foregone conclusion. There was no thought of any competing candidate.

Since the General Election, Mr MacLaren has kept in touch with his Burslem supporters, at their request. In London he has been devoting much of his time and energy to the "Tax Land Values" Bureau, at 7 St. Martin's Place, Trafalgar Square. In co-operation with Mrs Jacobs and Mrs Eastwood, he has taken a leading part in organizing the excellent series of meetings noticed in another column. His Economic Study Class, conducted week by week for the past two months and well attended, has strengthened quite a number of boundary line people in an understanding of Henry George's teaching and practical policy. It has brought new friends with conviction into the Single Tax camp.