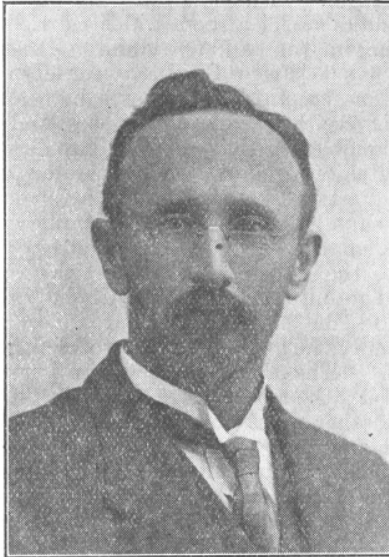


LAND VALUE TAXATION IN SYDNEY, NEW SOUTH WALES LECTURES AND INTERVIEWS BY ALDERMAN J. R. FIRTH

Address at the Victoria Mansions Restaurant, Westminster



ALDERMAN J. R. FIRTH

The advantages of land value taxation, with Sydney as the telling example, are being explained at a series of meetings in England, Wales and Scotland, and in numerous Press interviews by Alderman J. R. Firth, who is at present on a visit to this country from New South Wales. Mr. Firth has gladly undertaken this campaign, of which some mention was made in last month's *LAND & LIBERTY*. He has had excellent reports of his lectures and a hearty welcome from his audiences wherever he has been. But his interviews with the Press have been of special service in bringing his instructive statements on land value policy—and at the same time his revelations of the workings of Protection in Australia—before a very wide constituency.

The following is the list of engagements arranged for Mr. Firth by the United Committee: At Birmingham on 20th and 21st April, under the auspices of the Midland League; at Cardiff, 26th April, Annual Meeting of the Welsh League; Annual Meeting of the English League, London, 6th May; meeting and interview with the Labour Party Land Policy Committee, in the House of Commons, 11th May; Manchester, 20th May, to interview the *MANCHESTER GUARDIAN*; Doncaster and Sheffield, 25th May; Bradford and Keighley (with the Mayor in the Chair), 26th May; and Huddersfield (two meetings), 27th May, under the auspices of the Yorkshire League; Manchester, 26th May (two meetings) in the afternoon, under the auspices of the Manchester League, members of the Manchester and Salford Town Councils being specially invited, and in the evening under the auspices of the Manchester Henry George Club; Glasgow, 4th and 5th June, at the Business Men's Club, and at a meeting organized by the Scottish League; Inverness, 8th June, under the auspices of the Highland League; 15th June, at the National Liberal Club, London, to address the Radical Group.

Special interviews with Mr. Firth have been published, some at considerable length, in the *BIRMINGHAM GAZETTE*, 21st April; *WORLD'S PAPER TRADE REVIEW*, 24th April; *SOUTH WALES NEWS*, 27th April; *WESTERN*

MAIL, 29th April; *DAILY NEWS*, 8th May; the *STAR*, 19th May; *MANCHESTER GUARDIAN*, 21st May; *YORKSHIRE OBSERVER*, 27th May; *SHEFFIELD INDEPENDENT*, 28th May; *NORTHERN DAILY TELEGRAPH*, 29th May. It is anticipated that interviews will also be published in sundry Scottish papers.

When passing through Berlin in March last, Mr. Firth met our co-workers, Dr. Schewe and Mr. Ernst Heinrich, who arranged an interview with him at the offices of *BODENREFORM*, and in the issue of that paper for 10th May it is announced that the report of the interview has been published as a special leaflet by the Bodenreform League for general distribution.

COMPLIMENTARY DINNER

On the 12th May, in the Victoria Mansions Restaurant, Westminster, Alderman and Mrs. Firth and family were the guests of the United Committee, the English League and the Henry George Club at a dinner given in their honour. It was a large and interested gathering, over which Mr. Andrew MacLaren, M.P., presided in the absence of Sir Edgar Harper, F.S.I., who should have taken the Chair but having a serious chill, doctor's orders had prevented him. Sir Edgar wrote: "It is a great disappointment to be thus deprived of the opportunity of meeting Alderman and Mrs. Firth, and still more not to hear the Alderman's story of the great work in Sydney. Will you kindly express to him and to the meeting my deep regret." Apologies were also received, among others, from Col. Josiah C. Wedgwood, M.P., Col. England, M.P., Sir Arthur Holland, Professor E. A. Baker, and Messrs. P. Wilson Raffan, T. Atholl Robertson, Charles E. Crompton, George Lamb, Herbert A. Berens, Rosslyn Mitchell, M.P., J. Wignall, M.P., W. T. Kelly, M.P., W. Baker, M.P., Cecil Wilson, M.P., Arnold Williams, Herbert Morrison, L.C.C., and Harold Storey. Among those present were Mr. Charles H. Lamb (Cape Town), Hon. Secretary of the South African Land Values League, and Mr. George D. Hardie, M.P., who both took part in the subsequent discussions and made speeches that were much appreciated.

Mr. ANDREW MACLAREN, M.P., the Chairman, proposing the toast of "Our Guests," said: They had met that evening to receive a distinguished visitor, who came from a City renowned for the steps it had taken to put into practice, and justify by experience, the policy in which they all so firmly believed. They gave Mr. and Mrs. Firth and family a heartfelt welcome in their midst. On the platform it was possible to argue our case in the abstract, why industry and improvements and food should be untaxed, why statesmen should understand the moral principles of taxation; but the most successful campaign they could carry out was not only to uphold the truth of their principles in the abstract and make logical deductions to the concrete, but to support those abstract principles and economic ideals with some practical illustration. Then they would win the day.

ALDERMAN FIRTH said:

This is really one of the proudest moments of my life, and I can only say how deeply and sincerely my wife and I and my family appreciate the compliment you have paid us to-night. We feel thoroughly at home and not at all as if we were but visitors in England. We feel we are among friends who with us look upon Henry George as the Prophet of San Francisco. My

father often spoke with pleasure of his visit to this country some twenty years ago. He was a Single Taxer for more than thirty years, and I know he never missed one opportunity of talking Single Tax to everybody with whom he came in contact. I certainly esteem it a privilege to follow in his footsteps.

ALDERMAN FIRTH'S ADDRESS

Before I say anything about our local taxation system in New South Wales, perhaps you may like to hear a few words on the question of our Australian tariff. To understand the protectionist policy of Australia you have to take it for granted that the great majority of Australians on this question are virtually insane. For over twenty years now Australia has decided to prevent imports with the idea of producing goods in Australia. Although we have come to that decision, we have not *nous* enough to carry out the policy in the only logical and effective way, for I need not explain to this audience that the only means of successfully excluding imports is to prohibit exports. That the Australian protectionists will not do; and so in Australia although we have the highest tariff in the world, we continue to import as much as we ever did. With a population of under 6,000,000 people in Australia, our customs revenue last year was £36,000,000 in duties on goods we have been trying to exclude but which come in nevertheless. If you in this country were in the same position, if you had a tariff in proportion to ours, you would thoroughly realize what Protection means. It means that you pay double for everything you buy. During the last few years we have been getting extraordinary good prices for our produce. Both wheat and wool have been fetching good prices lately and we were fortunate enough to sell our wool before prices dropped. In these circumstances our people in the country districts are not quite so sore about the iniquities of Protection as they possibly will be next year, or in the future, when we have a bad time with our crops and the price of wool falls. Just what political effect that will have it is difficult to say. It is difficult to tell how long our primary producers will continue to be deluded by Protection. At present there does not seem to be any particular hope of a speedy release. It is good to see that a vigorous agitation—a tariff reduction league—has been started in Western Australia and this may get something done. There are those who vote for Protection for selfish ends, but manufacturers do not sincerely believe in Protection in principle and as a national policy.

LAND VALUES AND LOCAL TAXATION

The agitation for the Taxation of Land Values began in Australia in the early eighties after PROGRESS AND POVERTY had given its message to a number of readers, and some of us got very enthusiastic about it. Henry George himself came to Australia in 1890 and made a great impression with his public addresses. The first legislative step in our direction in New South Wales was the State Tax on Land Values introduced in 1896 and levied at the rate of 1d. in the £ of the capital value, but it had the defect of exempting land holders whose assessed land value was less than £240.

The adoption of land value taxation for local purposes followed nine years later and during that time a small band of fifteen or twenty active spirits had worked day and night to convince the people that rating on the unimproved value of the land was just and therefore expedient. Our opportunity came in 1905 when Sir Joseph Carruthers, the leader of the Liberal Party and a member of the Sydney Single Tax League (he had been a member of the Canterbury Single Tax League in 1891) became Prime Minister. He passed the Local Government Acts of 1905 and 1906 which obliged all the municipalities (with the exception of the part of

Sydney called the City, which raised its local revenues under a different law) and all the shires to levy their *general rate* at not less than 1d. in the £ on the capital value of land apart from improvements. In the shires the *general rate* had to be "not more than 2d." on the same basis. As to all rates, other than the general rate, the councils were given the option to levy either upon land value or upon "improved capital value," that is, upon the value of land, plus improvements, if any.

GENERAL ADOPTION OF THE PRINCIPLE

It is important to notice that practically all the councils made use of their option to levy all rates on land values. A few councils sought to do otherwise, but polls were demanded in every case and in every case the advocates of the land value taxation were successful in making the basis of the rates the value of land only. It should be understood that voting was confined to ratepayers, that is, to owners of land. Occupiers were not allowed to vote. It was on the votes of the landowners themselves that the land values system was adopted. It shows that the beneficent effect of the policy was well appreciated. I want to emphasise that. And now, no member of any local council would dare to suggest that we revert to a tax on improvements. In our agitation we were able to secure the whole-hearted support of all classes. Free Traders and Protectionists, trade unionists and manufacturers, all combined in approving it. Right throughout New South Wales we have the unanimous support of the Labour Party on this question.

When land value rating was adopted, the State Land Tax was abandoned. The State in effect "handed over" the Land Tax to the municipalities and shires and at the same time the exemption of £240 was abolished. In the City of Sydney, the 1d. rate on land values (with abolition of the State Land Tax) was imposed in 1908 and in 1916 the rating of land values was brought fully into operation, so that since 1916 the whole of the city rates have been levied on the value of land apart from improvements. There are separate rates levied in the Sydney and Newcastle areas for water and sewerage. These services are administered by independent boards that are distinct from the municipal councils, and under a separate law the rates are assessed on the old basis of annual value of land plus improvements; but this year an Act was passed giving the water and sewerage boards optional powers to levy their rates on land values. With the present exception of these boards, and a negligible amount of rates levied in a very few country municipalities and shires on "improved capital value" for special purposes, we take our local revenue in New South Wales purely and solely by the taxation of land values. We do not tax buildings or machinery or any improvements. We encourage the expenditure of capital and the employment of labour. We make it pay to *use* land. We make it a losing game to withhold land from use. We make it pay to pull down shanties and to erect beautiful buildings in their place.

VALUATIONS

Until 1916 the valuations were always made by the local councils, but in that year an important Act was passed establishing the department of the State valuer-general, which now has the duty of making periodic valuations throughout the State. The department unfortunately has been allowed such a small staff that its progress has been much delayed, and it has still a number of municipalities and shires to overtake. The work it has done so far has, however, proved most effective, especially in some parts where the council valuation has been done in slipshod fashion or with undue regard to the interests of land speculators. The

valuations when made are used for all purposes, namely, local rates, probate or death duties, resumptions (*i.e.* compulsory purchases), savings bank advances, and so on.

LAND USERS BENEFITED

The effects of assessing land at its true market value and imposing rates on that value, with all improvements exempt, is to squeeze the water out of land prices. It obliges landowners to part with their land where they have been simply holding it for a rise, and when these landowners are trying to sell, naturally the price falls. As an example, there was a case of a man in my own borough of Strathfield who was paying under the old system £80 a year in rates on a section of land lying vacant. The first year land value rating came into operation he had to pay £800. That was the first year. The second year he had sold the bulk of his land, and it was taken up by many who were eager to use it. At the same time, others whose land had been developed, who had their house and home on it, found that their rates of £8 or £10 a year under the old system had been reduced to £2 or £3 under the new. In short, the new system is of immense benefit to the man who uses his land well, by taking from his shoulders the burdens he had to bear when improvements were taxed and land values were largely exempt.

BUILDING BOOM IN SYDNEY

In Sydney there has been an enormous development. In the seventeen years from 1908 to 1924 our population has grown from 550,000 to just over 1,100,000 and by Sydney I mean the City and the surrounding forty metropolitan municipalities. How that population has spread out, with no overcrowding or congestion, I will explain. There has been an extraordinary building boom, interrupted in some degree only during the years of the war. The returns for 1924 show that the number of new buildings brought to completion and connected with the water supply is the largest on record. "The official figures," says the SYDNEY DAILY TELEGRAPH, of 24th December last, "indicate that the building boom has been more than maintained, as the building trades are busier than ever. The result is that the City is being transformed day by day, and as the old landmarks disappear modern and palatial premises fill their places." The "old land marks" referred to mean shanties and antiquated tumble-down buildings. Here are the official figures of new buildings in the metropolitan area as published in the SYDNEY MORNING HERALD of 24th December, showing the results for the last eleven years:

	Buildings Completed	Cost £
1914	10,546	6,775,548
1915	7,632	5,124,464
1916	6,283	4,479,118
1917	5,401	3,595,992
1918	4,998	3,726,896
1919	5,830	4,788,804
1920	10,015	9,273,659
1921	8,537	9,655,163
1922	9,084	9,917,963
1923	10,450	10,133,116
1924	12,180	14,346,071

THE SPREAD OF POPULATION

These figures speak for themselves. With all our progress, I have heard some astonishing statements since I came to this country. One is that our system of land value rating has forced us to crowd buildings on the land and go in for cramped development. Of course, if you said that in Sydney people would laugh at you. But some people say it here, and the amazing

thing is that they seem to believe such a story. The statement is totally at variance with the facts. Remember that the population of the city and its suburbs has grown from 550,000 in 1908 to just over 1,100,000 in 1924. If you examine the figures of population for each of the districts of Sydney, you will find that in the city and the suburbs immediately adjacent, the population has been almost stationary. The increased population, all but a fraction of the half-million we have added, has settled in the suburbs where land had been "held for a rise." The vacant areas have been peopled and the houses have spread themselves out, because the inhabitants have not been held in by a ring fence of monopoly prices for land. I could give many examples to illustrate this spread of population where room was awaiting it. Thus the municipality of Canterbury, five miles from the central area, had a population of 4,000 people in 1901; to-day it has over 50,000 people and I think I would be correct in saying that every one of the houses there has sunlight all round it. In my own borough of Strathfield we have made use of our powers under the law to limit houses five to the acre and we have neither terrace houses nor semi-detached houses. Each is a detached house. The growing population has got land cheaper than it otherwise would, and this has ensured liberal space for each house, larger than was provided before the new system came into operation. The subdividers of land, brought into competition with one another by the working of land value rating, found that small lots did not sell readily; they had to offer generous-sized lots, and to attract the new householder they found it paid them at the same time to gift land to the public for playgrounds, tennis courts and the like. The new system has also made it easy for local governing bodies to acquire land for parks and other open spaces.

PRIVATE ENTERPRISE PROMOTED

I would like to give you some further thoughts and facts in regard to housing. The whole of our increased population has been settled where it ought to be settled, where there is plenty of land and sunlight. If you tax land values heavily enough, and exempt buildings, private enterprise will provide the houses quickly enough. We have had some experiments—only a few I am glad to say—with State and Municipal housing schemes; these experiments were tried only to be abandoned, after much extravagance and loss and not a few complaints about corruption. We do not want and we do not need any more such schemes. We have left things to private enterprise and private enterprise, freed from land speculation and from taxes on buildings has succeeded. We only wish it could be freed also from the heavy cost of the tariff.

A TALE ABOUT "SKYSCRAPERS"

Another astonishing allegation against land value rating is that it promotes the building of "skyscrapers." I do not know the exact meaning of a "skyscraper"; but if the term is used in the sense of something objectionable—a building not only abnormally high but hideous to look at and an obstruction shutting out air and light from other buildings—then emphatically we have no "skyscrapers" in Sydney. As a fact, our tallest building is 13 stories high and it was erected before the system of land value rating came into operation. Moreover, we have a building law which limits the height of buildings to 150 feet and no building may be carried higher than the width of the street it faces. As to our new business premises in the city, any visitor to Sydney would bear me out in saying that they are palatial. They are beautifully lighted, splendidly equipped with lifts, etc., and in every respect a credit both to their builders and to the city.

HOUSING STATISTICS

Housing statistics are of some interest. In Sydney, in 1901, the number of persons per occupied dwelling was 5.42; in 1921 the figure was 4.92. The number of one-roomed dwellings in New South Wales in 1911 was 20,321; in 1921 it had fallen to 12,787. In 1911 the two-roomed dwellings numbered 14,596; in 1921 they numbered 14,072. Thus in these ten years 8,058 one and two-roomed houses had disappeared. In the same period, the proportion of dwelling houses of four rooms and upwards increased from 81.4 per cent. to 86.3 per cent. Again I find that the proportion of dwellings with seven occupants or more has declined in these ten years from 22.1 per cent to 18.7 per cent. I am quoting the New South Wales Year Book for 1923 and the figures do not look as if we had gone in for congestion or overcrowding; far from it.

HOUSES AND GARDENS

Let me deal with one more alleged objection. It has been suggested, I find, by some people, who I am afraid allow neither reason nor experience to guide them, that land value rating prevents a man from having a garden round his house. The facts are that where the people dwell in Sydney, the rule is five or six houses to the acre and as a rule therefore the gardens are one-fifth to one-sixth of an acre. If you take the case of a man who has a house within a garden 50 feet by 150 feet, the whole site being worth £200, he is assessed at £200. The rates levied at 4d. in the £ on £200 land value amount to £3 6s. 8d. a year. If we had the old system of taxing the annual value of the house and the land, it is calculated that the rates in the district would be 3s. in the £ of annual value. The assessment of the house and land (nine-tenths of the annual value) would be approximately £80 and that same man would be paying £12 in rates. But under the new system he pays £3 6s. 8d. If that discourages a man from having a garden, I do not know what would encourage him.

LAND SPECULATION SCOTCHED

In New South Wales with its population of 2,200,000, the total amount of local rates raised by the rating of land values will amount this year to nearly £4,000,000—that is, for the whole State. The economic effect is undeniable. One most wholesome result is this. We used to get a land boom, followed inevitably by disastrous industrial depression in Australia every ten or fifteen years. If any of you ever went through such a boom you will know it is one of the ghastliest things that can afflict a community. But now, a land boom in Sydney is quite impossible. You cannot persuade people to plunge into land speculation when they know very well they will have to pay taxes on the value of the land every year whether they use it or not. Since we have had rating on land values, we have been saved from the curse of a land boom and that particular outcome of our system has been brought to my attention by the keenest financial minds in Sydney.

LAND VALUE RATING HAS COME TO STAY

After our experience of the benefits of the rating of land values, we have come to the conclusion that we will not tolerate any proposal to go back to the old system. On the contrary, we are going forward. Some three or four years ago we passed an Act to authorize the building of the Sydney North Shore Bridge. Parliament almost unanimously recognized that the bridge would enhance the land values of Sydney and so the cost of the bridge is to be met by a special land value rate of ½d. in the £ levied in the city and contiguous municipalities. The Main Roads Act passed this year is another instance.

The cost of the roads is to be paid for by a land value rate of ¼d. in the £ in the City of Sydney and ½d. in the £ in the suburbs, plus the motor taxes, but the bulk of the revenue will come from unimproved land values. This is additional proof that the justice and the wisdom of land value rating are thoroughly appreciated.

Sydney and Newcastle in New South Wales and Brisbane in Queensland, the three cities that have made the most marvellous progress in Australia, all enjoy the new system of rating, while Adelaide, the capital of South Australia, under the old system makes no corresponding progress. Melbourne also has stuck to the old system and it is a remarkable fact that while Melbourne not many years ago was larger than Sydney and enjoys the advantage of being the centre of the Federal Government, it is now altogether out-distanced by Sydney. We attract to Sydney new factories and new enterprises and Melbourne is getting scared. The State of Victoria has wakened up to what is happening and recently passed an Act giving power to local authorities to rate land values. A number of them have already put the system into operation, including suburbs of Melbourne, but not yet the city of Melbourne itself.

Our advance in New South Wales comes from a certain understanding that has found lodgment in the public mind. In our view, the land has not been given by God to any particular person. The idea that land is a common possession is established, and while we have done something to turn a part of its value into the public treasuries we will not rest content until the whole value of land is devoted to the uses of the community. We want to remove all taxation from industry and trade, not least our preposterous customs tariff which is the greatest of our handicaps. Our aim is to get rid of the protectionist incubus, to achieve real freedom of trade and the fullest freedom to produce, knowing what material, moral and intellectual blessings Liberty has to bestow.

SOUTH AFRICAN CONGRATULATIONS

Mr. CHARLES H. LAMB said he gladly congratulated Alderman Firth on his joyous song of triumph about Sydney. The progress over there had been an inspiration to South Africa almost equal to the inspiration and the guidance they had got from the United Committee and LAND & LIBERTY in this country. On behalf of his colleagues in South Africa he expressed the greatest pleasure in being present at such an invigorating meeting of British fellow workers. In South Africa they could boast of a certain amount of progress as regards municipal taxation. Nearly all the municipalities in the Transvaal Province obtained the bulk of their revenue from land value taxation, and in that respect the Transvaal was far ahead of other parts of South Africa. In the Cape Province two municipalities had taken advantage of permissive legislation—East London, where most of the taxation was levied on land value and Cambridge, which taxed land values exclusively. Their most recent success had been in Durban, Natal, where about eighteen months ago they reduced the tax on buildings to 3d. in the £ (capital value) and increased the tax on land values to 6d. They had been disappointed in the fact that the reform had been confined to the towns, because the full benefit of their policy could not be achieved till it embraced all rural districts as well.

VOTE OF THANKS

Mr. JOHN PAUL, moving a vote of thanks to the speakers and to the Chairman, said what they had learned from Mr. Firth and Mr. Lamb should give them all great encouragement. He was delighted to see such a good gathering to give their friends a hearty welcome. He would ask them to take back in the name of the

movement, fraternal greetings to our people in New South Wales and South Africa. They all knew as they listened to Mr. Firth's speech the amount of propaganda, work, sacrifice, good faith and good fellowship that was behind the great achievement. Their guest at his numerous meetings in this country and in his Press interviews had met objections as a man who spoke with authority, conquered prejudices, and in his own quiet and courteous manner carried conviction everywhere he went. Their next function would be held in that room to do honour to Mrs. Anna de Mille, the daughter of Henry George. The date would be announced later. Mrs. de Mille, with her two daughters, were coming to this side for a holiday trip, and he hoped all present would resolve to be in attendance.

PENSIONS FOR WIDOWS, AND OTHERS

We reproduce with pleasure the undernoted lesson on Pensions, Industry and Monopoly, appearing in a letter to the *GLASGOW HERALD*, 22nd May, contributed by Mr. WM. REID, Secretary of the Scottish League:—

"SIR,—While Socialists have a lot to answer for, I think your criticism is quite unfair. An impartial examination should provide them with the negative satisfaction that they are no worse than the Tory Government, the Liberal leaders, or the *GLASGOW HERALD*. So far as I can see all these parties stand for a 'contributory' scheme, which is a pure hoax. Surely no greater confidence trick was ever worked off on a guileless and unsuspecting electorate.

"Your leading article says: 'Socialism is doing its utmost to destroy the individuality that expresses itself in thrift.' Well, the Sunday-school scholar thought the Priest and the Levite passed by on the other side because the man had already been robbed, and the Socialist may abandon any hope of accomplishing a purpose which has already been carried out by others.

"How is thrift encouraged now? Is not every individual penalized for thrift? From what does he pay his rates and taxes? Surely from the returns due to his thrift or that of some one else. Is there one single rate or tax that you can show to fall on monopoly, idleness, or thriftlessness? I answer my own question; there is no one. Mr. Wheatley's case against the Bill was destroyed before he resorted to the vituperation with which you accuse him. His school believes (I think correctly) that Labour pays all the taxes. That being so, it is surely futile for him to try to get something out of the rich which will ultimately be paid by the poor.

"If by 'contributory' is meant a handing over of money to the Government by buying stamps or paying taxes, is not that what we are all doing now? Indirectly we do more; as consumers we refund to the manufacturers what they have paid in stamps. It is all a question of the incidence of taxation. Taxes do not hit those at whom they are aimed. They harass and hobble trade, and they make thrift hardly worth while.

"After we have taken money out of industry to maintain the unemployed Sir Alfred Mond tells us that the only way to get rid of unemployment is to hand the money back for the purpose of subsidizing industry. A non-contributory scheme would not harass industry if we relieved industry of taxation and transferred the burden of taxation to monopoly. Recently the Corporation of Glasgow paid £55,000 for 49½ acres of land. Industry has already been burdened with that private tax. If a proportion of all such burdens were taken for public purposes industry would not be further burdened but would be relieved by the amount we absorbed from monopoly.

"All people in work and in health are contributing to the funds of the State. At the end why should 'some poor shipwrecked fallen brother' who has paid more than his share be shut out of pension or other benefit on a technicality? Why should the taint of pauper rest on the thrifty through no fault of their own, but because largely of State exactions to assist sheltered sections?

"Socialism, in its attempt to distribute benefits, is at least right at heart. When it comes to muddle-headed thinking the Socialist has no monopoly. Burdens on industry are not to be relieved by shirking duties. It is the duty of the State to maintain those who have fallen in its service. The State has funds which rightly belong to itself, and does not need to tax the thrift of individuals. The rent of bare land—unimproved land value—is created by communal services. Tax it for purposes of widows' and old-age pensions, and industry will not be burdened."

LAND VALUE POLICY

By J. Dundas White, LL.D.

The following review of Land Value Policy, signed by C. D. Thompson, appears in the January number of the *INDIAN JOURNAL OF ECONOMICS*, Allahabad, India:—

"Dr. White is already the author of 'Land Reform in Theory and Practice' and 'Land Value Problems.' He states the whole case for land value taxation briefly and clearly. He believes in the untaxing of houses and other improvements. He would get over the difficulty of 'improvements that merge into land' by allowing them exemption for a period of forty years. He believes that land value taxation will tend to force the land into the hands of the cultivators and will thus facilitate much needed reforms in land tenure. After dealing with these subjects, he has given chapters on rent, wages, capital, and inventive progress, showing that every invention, whatever its effects on wages or interest, must increase rents, and the value of the land. There are interesting, practical chapters on legislation, valuation, and the method of collection, and notes on marketing, machinery, contracts, agricultural rates, title-rent charges, land acquisition, etc.

"The question has great importance in India to-day in view of the appointment of the Taxation Enquiry Committee, who are particularly inquiring into the difficulties of sub-infeudation and mortgages in connection with land taxation. Dr. White gets over the difficulty of multifarious claims to some share in the surplus produce or to some sort of toll, tithe, or feu-duty, by making the basis of taxation the 'annual land-value,' by which he means the sum-total of rights that would attach to the fee-simple of the land, if leased in perpetuity, free from all incumbrances and taxes, and by applying to this annual land value the principle of proportional contribution by all who have any share in these rights. For the mortgage difficulty he quotes the New Zealand practice of subtracting from the land tax whatever income tax has been paid by the holder of the mortgage. Our chief difficulty in India, however, is to know how to deal with the problem of the small cultivator of an uneconomic holding, who needs all that share of the surplus produce which is left to him to exist decently. We should like to ask Dr. White to tell us whether it is good economic policy to tax such a man if he holds directly from the Crown."

Price 2s. net (by post 2s. 6d.), from our offices.

"There's no more tribute to be paid. . . . If Cæsar can hide the sun from us with a blanket, or put the moon in his pocket, we will pay him tribute for light; else, sir, no more tribute."—*Cymbeline*, Act III, Scene 1.