ment—it would not be easy to draft—to be pushed through to govern conditions of purchase in the contemplated zone. Then all owners on the far side of the zone should be made to pay a contribution towards the cost of the green belt purchase from which they would benefit. It would advance the development of their land from 14 to 16 years—that is to say, their ground would be immediately marketable at building land prices so many years before it would otherwise have reached that stage."

"The all-important thing," Professor Adshead added, "should be that the green belt should be pushed as close as possible to the present built-up areas, and special rates should be levied, too, on the houses on the inner side who are having the advantage of the great increase of their amenities through the creation of the public open space."

This comment indicates very clearly the economic effects of the project in raising land values on either side of the green belt. It indicates, also, how much more equitably it could be carried out if local authorities raised their revenues by land-value rating. It may also be observed that with the rating of land values in operation public authorities would not be called upon to pay the high prices that necessarily prevail at present when so much land is held out of use for speculative prices.

Milk Marketing Scheme.

An interesting article on the Milk Scheme by Mr C. S. Orwin, Director of the Agricultural Economics Research Institute of the University of Oxford, appeared in the *Manchester Guardian* of 16th January. Mr Orwin points out that with the development of transport and of means for keeping milk fresh, the producers of milk near the big consuming centres had begun to feel severe competition from milk from other districts. The result would have been a severe reduction in the prices obtained by farmers in the more expensive areas. The object of the marketing scheme, as Mr Orwin envisages it, was to let these privileged farmers down lightly by pooling the receipts from milk. "In this way the competition from the areas of cheap production was to be bought off, while at the same time the reduction of the old monopoly price would compel producers in the expensive areas to reconsider their methods or to find some other application for their land and capital."

Exploiting the Consumer.

We thus have an authoritative statement that the object of the scheme was partly to keep up land values and partly to keep in use obsolete capital. Like all such attempts to pursue uneconomic ends the scheme has come up against difficulties of its own creation. The higher price obtained by the cheaper producers encouraged them to produce more freely. The Milk Marketing Board could not dispose of all the milk offered to it, because the prices fixed for the consumer were too high. Last summer the Government came to the rescue by guaranteeing that the price of milk sold for manufacturing purposes would be made up by the Exchequer to a certain figure, and by subsidizing the supply of milk to schoolchildren.

It is little wonder that Mr Orwin says that "in the effort to maintain the average price of all milk at the highest possible figure, consumers of new milk are being exploited to the full." He adds: "On the one hand the public, as consumers, are charged the highest prices that they will stand for family milk; on the other hand, as taxpayers, they are mulcted to subsidize the production of milk at that price."

He comes to the conclusion that the wholesale price of milk has got to come down. The price of milk must be cheapened to the consumer, for there is no other way of increasing the demand for milk. So that in the end we must come back to the point at which we should have started.

Major C. H. Douglas on Henry George.

We are indebted to *The Standard* (Sydney, N.S.W., 15th November) for drawing our attention to a statement by Major Douglas in *The New English Weekly* in which he states the attitude of the Social Credit movement to land value taxation in this way :—

> Henry George proposes to deal with a rise in *price values* of a specific article, *i.e.*, land, by taking from the public in the person of one of its members—the owner of the land—a certain amount of *money*. He does not reduce the price that a second member of the public, *i.e.*, the buyer of land, has to pay for the land, he merely intercepts a portion of the payment between the seller and buyer for "State" purposes.
>
> Now, as an inspection of the back of an income tax form will show, more than half the money collected for State purposes goes to the owners of State securities, *i.e.*, national debts, and we know quite well that the National Debts are preponderatingly held by banks and insurance companies. We also know quite well that sums paid to banks and insurance companies for the most part result in an actual destruction of money.
>
> The plain simple meaning of the Henry George proposals, therefore, is that they are one of the most drastic deflationary methods which have ever been put forward. For this reason they do, in fact, as I am in a position to testify, receive the covert support of banks everywhere, and it is not an accident that the Single Tax organizations have almost everywhere been distinguished for their attacks upon Social Credit or other monetary reform proposals.

An adequate exposure of the multitudinous fallacies and mistakes of fact contained in this statement would take more space than the subject, perhaps, deserves. The first point is that Major Douglas evidently does not understand what Henry George proposed, nor the economic basis of the proposal. George did not propose to deal with a "rise in price values" of land. He did nor propose an increment tax. He did not propose to "intercept a portion of the payment between the seller and buyer" of land. His proposal would have been equally valid if land were never bought or sold, and if land never increased in price. What he did propose was to take economic rent in taxation.

Undisputed Propositions.

Secondly, it is not true that Henry George's proposal would not reduce the price of land. It would do so in two ways. On the one hand, as the land value tax would fall upon unused land as well as upon other land, it would force unused land into the market and the price would drop. On the other hand, the price of land depends upon the net revenue which the owner can obtain after paying the tax. As the net revenue fell, the price would fall correspondingly. The price of land is the capitalization of what is left to the owner after paying the tax. As the tax rises the price must fall. If there is one proposition in the whole range of economic science which is undisputed, it is this.

Curiously enough Major Douglas himself asserts that this is "one of the most drastic deflationary methods which has ever been put forward." It is deflationary of