

tion, or its cost to home, shop and industry could not thus have increased." The statement called attention to the successful operation of land value rating in Australia, New Zealand, South Africa, Denmark and Pennsylvania, and to the recent legislation in the last-named empowering 47 cities (besides Pittsburgh and Scranton) to give it effect.

The brochure contains the text of several addresses that were given before the Section engaged in general discussion. Among them we applaud the contribution by Mr. Robert Tideman, San Francisco director of the Henry George School of Social Science, who raised the argument from the fiscal to the moral plane in his excellent talk on "Property Taxes and Other City Taxes versus Single Tax." In the discussion he was supported by Mr. J. Rupert Mason and Mr. Joseph S. Thompson, the latter the President of the Pacific Manufacturing Corporation. Mr. Mason said, "Those who oppose raising public revenue by *ad valorem* land taxes are putting themselves in bed with Socialists. They are unwittingly advocating the socialisation of earned incomes and the fruit of man's work by taxation." Mr. Thompson said, "Each of us knows what his own personal and private earned income is. Did we ever think that there is a public earned income, a creation of all of us as a mass for which no one of us is responsible? If we knew we were justified in taking what we create as the people, we would not collect from those who create, who labour, who organise, that return which should stay in their pockets. A tax on industry is a fine. When we tax industry we drive it out of the city."

*The Tax Problems of Cities* is on sale at 25 cents. We will endeavour to procure copies (2s. 6d., post free) for any readers desiring them. Mr. Rupert Mason informs us that copies have gone to over 7,000 influential persons in all fields and in every continent.

### French Fiscal History

M. Max Toubeau, General Secretary of the French Ligue pour la Reforme Fiscale et le Libre-Echange, addressed the Joint Committee of the Republican, Radical and Radical Socialist Parties in his home town of Meudon, January 13. He discussed the whole question of taxation and gave an interesting historical survey.

When in 1790 the members of the Constituent Assembly decided to have recourse to taxes on landed property to provide four-fifths of State revenue their decision was based on facts shown in the record books of the States-General which had carried out an enquiry into opinions on the subject of taxation. These records show that nearly everywhere the people demanded that indirect taxes and taxes bearing upon production and trade should be abolished, together with the equally unpopular tithe, all these to be replaced by a few taxes only, resting on indisputable principles and easy to collect, the first to be a tax on landed property. The records for some districts even proposed the introduction of the *Impôt Unique*, the land value tax which Vauban had suggested earlier under the name of *Dime Royale*, or Royal Tithe. This *Impôt Unique* was the measure which the philosophers called Physiocrats had been advocating up to the eve of the Revolution.\*

Several men well-versed in Physiocratic doctrine, notably Dupont de Nemours,† sat in the Constituent

Assembly when, by the law of November 23 and December 1, 1790, it instituted a tax on landed property generally interpreted as *revenu net*, or economic rent. Of the total State budget of 300 million francs the Assembly intended raising 240 millions by this tax, the balance to come from personal contributions and levies on movable property. This illustrates what supreme importance was attached at this period to land tax as the basis of fiscal policy. The proposed system was to be completed by a cadastral survey.

Unfortunately the many difficulties which ensued, particularly wars and the huge expenditure they entailed, checked the financial reforms of the Revolution. Eventually the counter-Revolution raised its head and in financial as well as many other spheres has never ceased influencing events until little by little the efforts of the men of 1789 have been brought to nothing. In 1947 the tax on land exclusive of buildings brought in only 1½ milliards of a budget of 600 milliards. In 1950 the Finance Minister regarded this tax as a mere speck not worth the labour of collecting.

As early as the time of the Directorate indirect taxes started to creep back. Under the First Empire they were resurrected wholesale although these Combined Taxes, as they were called, were very unpopular. When the Allies entered Paris in 1814 their supporters celebrated Napoleon's departure by shouting, "Down with the Combined Taxes!" and on his return from Elba Napoleon promised not to bring them in again. The restored monarchy changed the name but kept the substance. The Combined Taxes became Indirect Contributions which throughout the nineteenth century continued to grow while land taxes correspondingly shrank.

These developments did not pass without protest or criticism. About the middle of the century Proudhon, in his *Theory of Taxation*, analysing the defects of both direct and indirect taxes then in operation, shows respect for one tax only: the tax on economic rent. He considered it just to impose this tax, but thought it sufficient to make it one of the essential elements of fiscal policy, not the sole source of public revenue.

M. Toubeau concluded with a statement describing the progress other countries had made in applying the land-value tax principle.

\* Marshal Vauban (1633-1707), the renowned military engineer, was also a social philosopher who petitioned Louis XIV in favour of religious toleration. His *Projet d'une Dixme Royale* appeared in 1707, the same year as the *Factum de la France* of Boisguillebert, another precursor of the Physiocrats whose original leader, Dr. Quesnay, lived 1694 to 1774.

† Dupont de Nemours (1739-1817), had edited Physiocrat periodicals and worked under his friend, the Physiocrat Turgot, in administration. Dupont showed exemplary fortitude when imprisoned by the terrorists; he refused to serve Bonaparte and eventually emigrated to America.

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