

the land is used or not. Any Rating Reform Bill introduced into the N. Ireland Parliament should therefore be a Bill to rate the market value of land and correspondingly relieve houses and other buildings and improvements from taxation.

## INDIA

### The Land Question and the Oxford International

*In UNITED INDIA AND INDIAN STATES, 21st March, Professor K. C. De, M.A., contributes the following appreciative and informing article which we have much pleasure in reprinting.*

We have received a copy of the Official Report of Proceedings of the above Conference held in August, 1923, in the Assembly Room of the Town Hall, Oxford, England. The Members of this Conference are convinced that poverty can be eliminated and International relations improved by the adoption of the single tax, advocated by Henry George, to be imposed upon all land values.

Henry George said: "Man is an animal plus something else. He is the mythic Earth-tree, whose roots are in the ground, but whose topmost branches may blossom in the heavens." It is the same master-mind which said: "Everywhere in all times, among all peoples, the possession of land is the base of aristocracy, the foundation of great fortunes, the source of power," and that "this Land Question is the bottom question." It is the owner of the land who rules and exploits, enslaves and slaughters. Land is Nature's gift to the community and those who have appropriated it and withheld it for private pleasure have stolen away the rights of others who are now making all efforts to have them reinstated.

We are indeed convinced that man committed a sin in sanctioning private appropriation of a common gift and for this it is now paying heavily. Poverty, intolerable tax-burdens, unemployment, crime, slavery, moral depravity, insanitary atmosphere, epidemics, seething discontent and unrest and class hatred within nations and continuous commercial and political wars and international animosity among nations have been the results of that folly committed with regard to land policy. Land was to sustain and deify mankind, but by an irony of fate it is now causing his ruin.

The time has come when the society should tackle the problem to the satisfaction of all parties concerned. A distinction must now be drawn between values created by individual efforts and energy and those created by social progress. The latter must go to the society. Population increases, industries multiply, railroads and tramways improve communication and the values of land rise. That the agricultural plots depend much upon the industry of the owner and peasant for their improvements and fertility, one must admit, and there is therefore some difficulty in ascertaining the part played therein by social progress. But what justification lies in the appropriation of the increased values and rent of land, more specially of urban land, which are almost entirely due to the progress of society?

The appropriation of land by private owners has produced the landless labourers, has increased their dependence upon industrial labour, has lessened their freedom of contract with the employers, has led to their exploitation by all rich and capitalist classes and has left them ever in the danger of unemployment and consequent moral, physical and intellectual degradation. It is also responsible for the increase of crimes and so of Police force, criminal courts, prisons, reformatories and almshouses. It is again, this unwise land policy that has led nations to seek for colonization, conquests and markets and has always hurled them into destruc-

tive wars. Thus most of the diseases of the nations and of the world have had their roots in the misappropriation of land. Stop it and the world will grow healthy, vigorous and prosperous and worthy to live in.

Henry George suggested a practical method of social reform and we believe it goes to the root of things. His proposal was that all States should abolish all taxes and replace them by the Single Tax whereby the whole of the unearned increments of land should be appropriated by the State.

"The Single Tax proposition is that the land value policy should be developed till the whole economic rent of land is taken for public purposes and all other taxes abolished. It is an ideal to be approximated by extending the land value policy as far as possible and by repealing all other taxes in the order of their demerit as far as circumstances permit. The economic rent of any country would be amply sufficient for all the normal function of Civil Government. In any country where the annual taxation, national and local, does not exceed the annual land value, the principle might be completely applied. In any country which is so burdened with debt and with the cost of military preparations that the annual taxation, national and local, exceeds that annual land value, the policy can be applied only partially for the present, its complete application having to be preceded or accompanied by the gradual liquidation of debt and the removal of the burdens of militarism. No one ever suggested that the land value of any country would be sufficient to meet not only the ordinary cost of Civil Government, but also to pay off colossal debts incurred over past wars and to provide unlimited funds for warlike preparation in the future. The single tax proposition contemplates international sanity and international good will, and every advance towards it would do much to promote them."

It is not necessary to write further for showing the sanity of the proposal. Appropriation of the whole of the unearned increments at this stage may not be possible. But no one can question the validity of the principle enunciated. A beginning must be made now and all States may, to begin with, take up the unearned increments, at least a percentage of them, of urban land.

This principle has already found a place in the laws of many countries of the world, in U.S.A., Canada, Australia, New Zealand, South Africa, Equatorial Africa as well as in some countries of Europe. Germany, England and Denmark are coming in line. Even the Federated Malay States have not kept behind. But India, well, she is a belated country and all new ideas come late!

We cannot, however, conclude without drawing the attention of the public to the important bearing of this land value policy upon the welfare of Bengal. Lord Cornwallis, with his British education and training, followed the system of English landlordism in India and committed the folly of the Permanent Settlement of land in Bengal, and the subsequent generations are paying for it. The poor and the middle classes are unduly taxed, for the Permanent Settlement does not bring in enough revenues, which have therefore to be supplemented by a host of other taxes. It is a double wrong inflicted upon the Bengal community—to deprive it of the unearned increments of land and at the same time to impose fresh taxes. Bengal's financial situation is notoriously deplorable. All her nation-building functions have been held up because of poor revenues. Half-hearted measures may be adopted to raise a lakh here and a lakh there. But no other means, except the policy of appropriating unearned increment of land can be at all effective. To avoid undue disturbance a beginning must be made now to appropriate a certain percentage of such increments on urban land. It is not simply a provincial concern but it is an all India

problem. It is for the poverty of Bengal revenues that other provinces have so long suffered and are suffering still. All efforts must therefore be made immediately to unsettle the Permanent Settlement of Bengal and to tax incomes of Zamindars from land. We know that Bengal Zamindars will oppose such proposals vehemently but they must be definitely told that all social arrangements have to justify themselves on grounds of social welfare. Social welfare demands that unearned increments should be appropriated by the State and they must.

We wish that there might be a very wide circulation of the publications of the United Committee for the Taxation of Land Values (11, Tothill Street, London, S.W.1), and that our legislators might study this problem very seriously and set on foot a strong agitation for the taxation of land values and help India to fall in a line with other advanced countries of the day.—

**(Copies of the Report of the International Conference are still available. The price is 2s. post free.)**

## BRAZIL

The second number of REVISTA DO IMPOSTO UNICO (José do Patrocínio 29, Porto Alegre, Rio Grande do Sul) is to hand and full of excellent matter and news. The place of honour is given to a biography (with portrait) of Colonel Evaristo T. do Amaral (1859-1923), who for years held every post of trust in the gift of his State. His career as editor of A FEDERACÃO was devoted to promulgation of Georgism, "on which he copied or translated for his paper almost every scrap of literature then available." He lived to see his work firmly established in public opinion and in legislative statutes.

A notable step is reported from the somewhat reactionary State of Sao Paulo, where the Liga Agricola—a very influential body of farmers—has asked the Governor to set up a General Valuation and Register of the State. JORNAL DO BRASIL, of Rio, remarks on this (13th January, 1925) that it is a step foreshadowing tax reform, on the lines of the land value tax in Rio Grande do Sul, and is a perfectly just campaign.

A careful study of the desperate overcrowding and rack-renting in the State capital, Porto Alegre, by Aurelio Porto, the editor, should assist in the struggle now proceeding for reform in civic finances, which are considerable, there being 200,000 inhabitants. The Mayor, Dr. Octairo Rocha, is quoted as hostile to the prosperous "vacant lot" industry, in a policy speech to a City club.

A witty and detailed account is given of the introduction of the (almost) single tax at Pinheiro Machado in 1921. The opposition took two lines—one unconstitutionality, the other the loveliness of the old system. For the one, the Mayor took the risk, quite safely: for the other, he showed that the great property owners of the City not only escaped taxes on their vacant sites, but their great residences and business places were assessed at half to a quarter the rates on the less wealthy classes.

The gem of the issue perhaps is a detailed account of the establishment and perfecting of the rural land tax in the State of Rio Grande do Sul. From 1843 to 1877 there was agitation in Brazil for a tax on real estate, which was successful in the latter year. In 1902 a State tax on real property was set up in Rio Grande do Sul: it fell on some rural lands only and was at the rate of 10 reis per hectare (say, at parity, ¼d. per acre) and 2 per thousand on selling value. In 1909 a reform was made; the area tax was trebled, to 30 reis per hectare, and the value tax increased to 2½ per

thousand on selling value, exempting the selling value of the farmhouse. In 1911 the tax was extended to cover those classes of rural proprietors hitherto exempted. In 1913 (23rd December), on the advice of the illustrious State Governor, Dr. Borges de Medeiros, complete exemption was extended to rural improvements of every sort, which were not to be included in computing selling value. (This was duly recorded in LAND VALUES for January, 1914.) The taxable area has extended from 21 million hectares in 1903 to 24 million in 1924. Property owners have increased from 105,281 to 238,568, showing marked sub-division. Capital values of property have increased from 408,164 contos of milreis (a conto at parity is £250, about £25 at present gold exchange) to 1,998,120 contos, and the yield of the tax from 996 contos to 4,321 contos. There is no State in Brazil that has so many rural proprietors, and the value of the sites (so heavily taxed as they are) exceeds 890 milreis per capita (over £200 at par), which may be compared with Sao Paulo, at 487 milreis, and Minas Geraes at 276, or Pernambuco at 142—all more populous States. The hope was expressed by Dr. de Medeiros in proposing the land value tax that it was to be the "principal" financial resource of the State if not the "Single" resource. Quintupled income in ten years is a very good beginning! But the need for searching reforms in City finance is not yet met.

There is good selected matter from Argente (Spain), Damaschke (Berlin), Vigil (Argentina) and the continued proposals of Paulo da Gama, the prophetic Naval Governor of 1803, who wrote as well as any French Physiocrat in his report. "The rent of land, being a product of the collectivity, is for all. By natural law and by justice it is the only true fountain of public contributions. Let us have the courage of the truth to do justice." One would like to know more of José Ingenieros, who incites us thus.

## ARGENTINA

REVISTA DEL IMPUESTO UNICO (Esmeralda 91, Buenos Aires) has now nearly completed five years of vigorous life. The February, 1925, issue is full of interest. The most important news item being that the State Legislature of Buenos Aires (the richest and most populous State in the Union) has modified for 1925 the existing graduated tax in rural areas by complete exemption of all improvements from the tax, which now varies from five to eight per thousand—say, 1¼d. to 2d. in the £. One is glad to note there is no gratitude expressed at this half concession to our demands, for the tax remains a graduated tax, penalizing those who need to use large or valuable properties for the benefit of those who speculate on a petty scale. Further, it is shown that the absence of a proper impartial valuation reduces by half the onus of the tax in the case of those with influence. It is none the less a great landmark in the agrarian history of the Plate Republics though the demand for a straight eight per thousand tax is justified.

There is a good biography (with portrait) of Richard Cobden, with his prophetic speech at length. The official schemes for land settlement (which provide for every subject but the site values) are dissected by Prof. Eduardo de Beláustegui and shown to be unworthy of the country of Rivadavia. There are a number of good philosophical and propaganda Georgeist articles.

Among the most striking of the many Press clippings is one from LA ARGENTINA of Tucuman, that the value of unused land is the anti-social element in the national balance sheet which now absorbs and neutralizes the whole net production of wealth in a State.