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THE NINTH INTERNATIONAL CONFERENCE

Organised by the International Union for Land-Value Taxation and Free Trade and held 15th to 20th August at the University, St. Andrews, Scotland

Messages from Many Lands

At the inaugural session of the Conference, Mr. J. Rupert Mason presiding, the Provost of St. Andrews, Mr. David Fraser, extended a genial civic welcome on behalf of the Town Council, and expressed the hope that their deliberations would be fruitful. Judge Max Korshak, of Illinois, suitably responded on behalf of Conference members. Mr. Mason, declaring the Conference to be duly constituted, said that it had attracted delegates from many lands. He was grateful for the privilege and honour of having served as President of the International Union during the six years since the Conference at Swanwick, 1949, and indebted to his many friends all over the world for their helpful co-operation. Man's ability, he said, to conquer floods, drought and disease had made great gains. Current troubles were not due to the destructive forces of nature but were chiefly testimony to mankind's own follies. Knowledge of and faith in great moral ideals, optimism, courage and willingness to arise above narrow group or special pressure interest, and to act the part of informed and responsible citizens of the community, the nation and the world, must continue to be their purpose. The power of taxation was more potent than atomic energy and, like that force, could be used for good or for ill. Greetings from absent members and associations at home and abroad, were read. They included messages from Denmark, Ireland, South Australia, Illinois, France, Austria, Tangier, Cape Province, Indiana, Sweden, California, New York, New South Wales, Argentina, Greece, Belgium, Holland, Pennsylvania, British Columbia, Germany, Norway, Victoria, and from a number of members in Britain. Among the greetings were those sent on behalf of the Henry George Leagues in Victoria and South Australia, the Schools of Social Science in Chicago, St. Louis, Sydney and Barcelona, and the Henry George Foundation in Pittsburgh, and a special greeting from past President E. J. Craigie. On the motion of Mr. Mervyn Stewart, the sub-committee that had been in charge of Conference arrangements was thanked for their work and it was further agreed that they had charge of affairs during the Conference week.

Towards Real Peace

Justice F. A. W. Lucas, Q.C., took as his dominant theme the incompatibility of poverty and peace. Directly attributable to poverty and a concomitant sense of injustice and frustration were the strikes prevalent in the Western world, the establishment of totalitarian regimes in Eastern and Central Europe and China, and the throbbing nationalism in Asia and Africa. The lack of the necessities of life was only part of poverty; also involved was the fact that people

were deprived of their rights to use their energy and ability to achieve a full, satisfying life.

There was no reason to hope that atomic energy would prove any more successful in ending poverty than electricity and steam had been. Nor did strikes offer any solution: sectional gains thus won were always at the expense of other workers to whom as consumers the added cost of production was passed on in higher prices. The cruel spiral of prices and wages was mounting ever upward and eventually a crash must come.

The doctrine of material progress preached by Soviet Communism appealed to both extreme poverty and frustrated nationalism; it claimed to offer a key to the problems of human society and lured the masses of the world into its support. "The call for bread is insistent and until it is provided there is little else that matters;" until material needs had been satisfied and anxieties removed, little thought would be given by the hungry to the dangers involved in the destruction of their liberty.

The Root Cause of Strife

Primitive peoples had always recognised that life can be sustained solely by what comes from the land and that, therefore, the land must belong in common to all the people of all generations. "The earth was their mother and all had an equal right to use it and to live on it." Modern civilisation had made the holding of land a monopoly that excluded from the use of land, except on payment of a ransom price or rent, the vast majority of the peoples of the earth. "There is the root cause of poverty and of strife within nations and between nations; and it is at that point that action must be taken."

To achieve true peace the power to hold land out of use must be broken; that came before all else. The *Declaration of Human Rights Based on Equal Rights* of the International Union showed the way.

An annual tax levied on the value of all land, whether it was being used or not, excluding the value of improvements on it, was the effective way to end the withholding of land from use. To allow the tax to have its full beneficial effect there must be simultaneous abolition of imposts on earnings and consumption, customs tariffs, and other burdens and barriers that restrict production and the free movement of men and goods.

Describing in some detail the case for such taxation, and the benefits it confers, Justice Lucas declared that no tax was so fair and equitable. He brushed aside the argument sometimes heard that if the rental value of land were collected for public revenue, compensation should be paid to former rent-recipients.

(Continuation of Conference Report)

While the justice and fairness of the land values policy could not be logically refuted, the progress of the movement depended as much on the emotional appeal as on the intellectual approach.

To Win New Support

The religious revival apparently taking place to-day afforded an opportunity of which the land values movement could well take advantage. Its proposals were essentially religious, based firmly on the conception of the Fatherhood of God and the consequent brotherhood of man. With confidence in their right to do so members could appeal to the churches of all denominations to support the policy of the land for the people, without asking them necessarily to advocate the Union's specific proposals.

Condemnation of the monopoly and misuse of land was to be found in the Bible and in the outspoken utterances of third and fourth century Christian teachers. Among the many leading ministers of religion who had spoken out against such practices in recent years, the late Archbishop Temple, Pope Pius XII and the late Dr. Kestell, a greatly loved and revered leader of the Dutch Reformed Church, were quoted.

Ending on a political note, Judge Lucas said that it would help much if supporters drew up a practical programme for their individual countries, with an explanation of how the estimated necessary revenue would be obtained and showing how the different sections of the public would be affected. Such a statement should not be too long or contain too much detail. It should be capable of being easily grasped by the man in the street and then be put forward as a practical proposal for legislative enactment.

Land Monopoly and Land Reform**A World Survey**

Details of land reforms being undertaken in many countries and the extent and consequences of land monopoly on the South American sub-continent were considered in factual papers presented by Miss V. G. Peterson, secretary of the Robert Schalkenbach Foundation, New York, and Mr. John Bathe, honorary secretary of the Land-Value Taxation League, Great Britain.

The problem of land reform, said Miss Peterson, was receiving greater and more active consideration by governments in many parts of the world. In some instances this might be motivated by the urgent need to counter the growing menace of communism, but in the main it represented an awakening to the logic as well as the humanity of meeting the cries of the hungry, the homeless and the disinherited. She based her paper substantially on a report published by the United Nations in 1954 entitled *Progress in Land Reform* containing data supplied by sixty member nations. The report made clear that the land question was being treated as a vital, pressing and basic problem, different countries adopting various methods in keeping with their traditions, resources and temperaments. Unfortunately the end-goal of all those measures was being jeopardised by the totally inadequate use that was being made of taxation. Only a tax on land values high enough to make accumulations of land unprofitable would hold in check the powerful and ambitious, and guarantee that the land now being restored to those who till it would be theirs and their children's for ever. Even so, certain beneficial social effects had been achieved and it seemed reasonable to assume that as more waste land was

expropriated and brought under cultivation, the total food supply would be increased and living standards raised.

Students of the land question who have not the opportunity to study the full United Nations report will be grateful to Miss Peterson for presenting in *Land to the Tiller* this comprehensive survey.

Conditions in South America

"One would not expect to find involuntary poverty in South America," said Mr. Bathe introducing his paper *Latin America a Victim of Land Monopoly*. Rich in natural opportunities the vast sub-continent could sustain in comfort thousands of millions of people and yet its eight million square miles contained only 160 million people most of whom dragged out their lives in squalid poverty, beset by ignorance and disease. Vast estates, speculation in land values and a consequent insufficiency of capital were the prime causes of their unhappy condition. The facts quoted amply supported this contention. For instance: in Argentina, one English company owned four estates covering nearly 300 square miles; in Venezuela, two petroleum companies owned 8½ million acres, most of it unused; in Chile, three companies owned a further eight million acres between them.

Summarising the effect that land monopoly had had on the economies of the various South American countries, Mr. Bathe said that low production, low wages and widespread unemployment were the inevitable consequences of the undermanning and poor cultivation of large estates. General reliance on mono-culture rendered national economies particularly susceptible to even slight fluctuations in world demand, and in periods of depression, with access to natural resources barred by land monopoly, widespread unemployment and deepening poverty prevailed.

Various "land reforms" had been undertaken, temporarily and partially mitigating dismal poverty, but as they were based on the continued private appropriation of the rent of land they left land monopoly entrenched, to continue menacing the well-being of the South American people.

"Free Trade in Land"**What Richard Cobden Meant**

Five months before his untimely death at the age of 60, Richard Cobden left a great challenge to all Free Traders. Making at Rochdale, November 23, 1864, his last public speech he said: "If I were five-and-twenty or thirty, instead of, unhappily, twice that number of years . . . I would take Adam Smith in hand, and I would have a League for free trade in Land just as we had a League for free trade in Corn; and if you can apply free trade to land and to labour too—then, I say, the men who do that will have done for England probably more than we have been able to do by making free trade in corn."

These challenging remarks, said Mr. Victor Saldji, had caused perhaps more speculation than any other of Cobden's utterances for he had unfortunately failed to specify what precisely he had meant by free trade in land. Cobden's biographer, Viscount Morley of Blackburn, had considered that the reference to Adam Smith indicated that Cobden contemplated the abolition of entails and similar devices, and pointed out that he had constantly called for improvements in the machinery of transferring land. "How much further he was prepared to go, we cannot tell . . . we have, as a matter of fact, no complete scheme of Cobden's views on the English Land Question." That is strictly true, but nevertheless there are available various writings and reports of speeches which indicate the trend of Cobden's thought on the land question. The most significant of these have been unearthed

by patient research in the British Museum and elsewhere by Mr. Saldji and were presented by him to the Conference in a notable paper entitled *New Light on Richard Cobden and the Land Question*. It is a most valuable addition to the literature of the movement which without doubt every reader of this journal will wish to have.

Speaking at Derby as early as 1841, when he was 37 years of age, Cobden had said that he hoped "to see societies formed calling upon the legislature to revalue the land" and to put taxes on it in proportion to the wants of the State. He wanted the agitation for a revaluation to go hand in hand with that for the total and immediate repeal of the Corn Laws. "Not only ought we to have an abolition of all the taxes upon food, but we ought to raise at least £20 million a year upon land and building land."

The Land Tax Fraud

Three months later (March 14, 1842) in the House of Commons in a striking speech later published as a pamphlet under the title *The Land Tax Fraud*, Cobden showed how the landed interests "had been employing themselves as legislators in placing the burden [of taxation] on others for the purpose of exempting themselves." For a century and a half following the Conquest the whole of the revenue had been derived from taxes levied on the land, but gradually the proportion of State revenues thus derived had dwindled until at that time only one-twenty-fifth was obtained from that source. Land Tax was levied on a valuation 150 years old, but in the case of the assessed taxes "the collector went round every year, and diligently noted any increase in the number of windows, in the number of carriages, and other articles subject to assessment." The mode of levying Land Tax "was fraudulent and evasive, an example, in fact, of legislative partiality and injustice second only to the corn law itself." No mention of this radical statement appears in either Morley's *Life* or in the *Speeches* edited by John Bright and Thorold Rogers, although they include a speech by Cobden on similar lines delivered in London three years later in which he showed how the people had been "cheated, robbed and bamboozled upon the subject of taxation."

Cobden's Foresight and Warning

Other speeches quoted by Mr. Saldji illustrate the scope of Cobden's understanding of the land question. He dismissed the claim of landowners to be agriculturists as being as absurd as if shipowners had described themselves as sailors. He remarked on the relation between rising agricultural rents and stationary and even diminishing agricultural wages. The Corn Law, he declared, was a rent law; if it kept up the price of food it also maintained the rent of land. Brilliantly he opposed Disraeli on the question of granting rate relief to agriculture which he saw as a "new dodge" on the part of the landed interests to escape a part or a whole of their burden of local taxation and to shift the burden on to the necessities and comforts of the masses of the people. Nor did he confine his attention to merely the agricultural aspect of the land question. In a Commons speech in 1852 he referred to Belgrave Square, London. Houses there were built on 99 year leases at an annual rent of £50 for each house. Those who had built them had to pay, in addition to the ground rent, direct taxation on their properties while the ground landlord carried off £20,000 or £30,000 a year, and was left untouched. "Is there any justice in that?" he asked.

Summing up, Mr. Saldji commented that Cobden realised that Free Trade in itself was not enough and that *production* must also be free. The only conclusion to which one could come was that he did not know *how* to free the land. He

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realised the vital importance of the land question, and saw clearly the manifest wrongs arising out of it, but he lacked a synthesis—a putting together into a harmonious unit the different aspects that he saw. Otherwise he would not have left to those who followed him the exhortation to "free the land" without giving a lead as to how this was to be done.

Wages, Profits, Prices and Inflation

In sharp relief to popular arguments demanding the establishment by law of minimum wage levels, and the granting of wage increases "out of profits," was the Paper *False Paths to Higher Wages* presented by Mr. V. H. Blundell, Director of Studies of the Henry George Schools in Great Britain. The fallacious reasoning on which all such arguments are based was ably demonstrated.

Less popular but widely expressed, was the contention that all wage increases should be resisted because, if granted, they would cause inflation. Answering this, Mr. Blundell asserted that inflation of the currency was the deliberate policy of governments, resorted to chiefly as a method of increasing revenue without recourse to increased taxation; it was not the granting of wage increases that had caused inflation but, on the contrary, inflation that had largely caused the demand for higher money wages. The confusion of cause with effect was, in many quarters, quite deliberate. Conveniently it enabled wage demands to be met without increasing the share of wealth produced that goes to labour.

Invariably nominal wage increases secured by trade union action were passed on in higher prices to the general body of consumers. In other words, Unions could and did benefit their members only at the expense of other workers. An example of that was to be found in the agreements commonly signed between trade unions and manufacturers' associations. Employers agreed to engage only members of given trade unions, and in return, the unions agreed that their members would not work for firms which sold below a fixed price.

Caught in the Vicious Spiral

Confronted by demands for higher wages, the completely unprivileged producer—the "marginal capitalist"—had three courses open to him. He could accept lower wages for himself; or he could accept a lower rate of interest on the capital invested in his business, or he could pass on the increase in higher prices. In the event the marginal producer passed on his increased wages bill to the consumer. Privileged producers were not under the same compulsion; they *could* forego some or all of that part of their "profits" which was due to whatever unfair advantages they enjoyed, but they did not. Why should they? It was for this reason

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that whenever wage-earners hit at monopoly capitalism by demanding more wages, their blows were diverted.

Use of the omnibus word "profits" led to much confusion. Often included in profits were returns due to privilege in some shape or form, the result of bad legislation. Examples were tariffs, quotas, licences, subsidies, grants, monopolies and patents. These tolls on labour, combined with the private appropriation of the economic rent of land, kept wages down. It followed that the remedy for low wages lay in removing the source of privileged profits, but this the trade unions ignored; they tackled the problem at the wrong end, attempting to obtain for their members a greater share *after* the primary division of wealth had taken place.

Summing up, Mr. Blundell outlined four practical policies for raising wages without raising prices—the taxation of land values, free trade, sound money, and the repeal of all legislation that fosters privilege and monopoly.

Land Holding in Scotland

From Common Rights to Private Property

The history of landholding in Scotland from Celtic times until the present day was traced by Bailie John Peter in a most informing Paper entitled *The Tenure, Taxation and Rating of Land in Scotland*. Originally the tribe as a whole had possessed the tribal area and each tribesman had had his right to land recognised. All land was held subject to burdens of various kinds, and tribal leaders were essentially administrators, not land owners, to whom, as the strongest and ablest, deference was paid.

Establishment of the Feudal System, started by David I (1124-53), was slow at first, especially in the Highlands where Celtic customs long obtained, but from the fourteenth century Scotland was organised on a completely feudal basis. Under that system, the landholder or baron was primarily an official who governed an area, responsible for providing from among his vassals an army for the King's service, who gave advice in Parliament, and who made money grants to his overlord on special occasions.

Gradually during the next two centuries the feudal system was modified; certain lands began to be held free of military obligation, and rents rose. Land ownership was considerably extended and strengthened during the second half of the sixteenth century, many barons enriching themselves by appropriating Church lands. At one time these had covered one-third of the country, and had afforded the means from which the Church had provided the "social services" of those days. The Feudal System was formally abolished by Cromwell in 1655; its form, if not its substance, was restored on the Restoration; and in 1748 (following the Jacobite Rebellion) the feudal organisation of society was finally

abandoned. The existing order, still feudal in form and nomenclature, dates from that year.

What Historians Ignore

In the Highlands, Celtic patriarchy long held sway. The chief of the clan—children of the soil—held the land in trust for the clan. Each family had rights to a portion of the tribal land in return for which service was rendered. But after the Rebellion, the old services were commuted, and rents began to be paid entirely in money.

The Industrial and Agricultural Revolutions witnessed great changes in productive methods, and the first of the clearances. Cultivators were driven from their crofts and forced to settle on poor, exposed land from which they were unable to sustain themselves; gradually they drifted south to provide cheap labour for the industrialists, being held cheap because no alternative means of livelihood was available to them, and many emigrated. Remarkably, most historians of the Industrial Revolution and exponents of the origins of "capitalism" appeared not to notice the connection between the acquisition of complete rights in land by the politically powerful few (and the loss of rights in land by the politically impotent many) and the unhappy social and economic conditions which followed.

The Position To-day

To-day, when land for building purposes is not bought outright, it is held by feuars who have perpetual security subject only to the annual payment of a *fixed* annual feu-duty to their superior, or ground landlord. Any increases in the value of particular holdings under this practice accrue to the occupier (feuar), who is virtually the owner.

In former times Cess or Land Tax was a well-authenticated source of royal income ("The King should live of his own") but as the last valuation (of "the valued rent") was made in 1670 this tax is now of little monetary significance. Present local taxation being imposed on the annual valuation of land and heritages (improvements) in their existing condition has the two-fold harmful economic result of punishing the improver and condoning the inaction of the unenterprising, totally unused land, however valuable, being free from charge of local taxation. The position is aggravated by the "benefits" conferred on industry and agriculture at the expense of the general body of ratepayers by means of the "derating" legislation. A summary and criticism of the conclusions of the Sorn Committee's Report (referred to more fully elsewhere) concluded Bailie Peter's paper.

Seventy-five Years' Endeavour

The Movement in Britain

Mr. Ashley Mitchell, addressing the Conference on "The Land Values and Free Trade Movement in Great Britain" referred to the sketch of its parliamentary history as contained in Mr. Madsen's paper given at the Odense Conference in 1952 which had since been made a chapter in the book "Land Value Taxation Around the World," recently published by the Robert Schalkenbach Foundation. The movement took concrete shape about the middle of the 'eighties when the English and Scottish Leagues were founded, followed later by the Welsh League and local Leagues in a number of centres including Yorkshire, Manchester, Liverpool, the Midlands, Edinburgh, the Highlands, etc.; the Leagues in England since amalgamated and are now known as the "Land-Value Taxation League." In 1907, after the great Liberal victory, the United Committee for the Taxation of Land Values was formed as a central body to work in association with the Leagues, with its office under John Paul installed in Westminster and concentrating at once on the opportunities the new Parliamentary situation had presented.

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In 1929 the United Committee was incorporated as a company "limited by guarantee and not having a share capital"; it was thus given a definite legal status and a permanent constitution by which it was empowered among other things to administer trusts and bequests for advancing its objects, namely: "to promote economic freedom and social justice by publishing, advocating and maintaining the principles and policy of Land-Value Taxation and Free Trade as expounded by Henry George." It was responsible for LAND & LIBERTY and most of the publications of the movement; and it gave the facilities of its premises and establishment to the International Union and the British Henry George School.

In a trenchant statement Mr. Mitchell related some of the episodes in the checkered parliamentary career of the movement, the agitation through the municipalities that led to the Lloyd George Budget in 1909, the fate of that legislation after the betrayal by its author; and of what happened to the Snowden Finance Act when after the "crisis" election in 1931, the Tories came to power suspending that Act and then repealing it. It was by the treachery, too, of that Government that Free Trade as they had had it in Great Britain was lost, and this although the electorate whenever consulted had always voted against protection. Despite those defeats and disappointments, their faith and their determination was undiminished. Their goal was nothing less than the freedom and liberty of the individual—the equal rights of all—which was to be attained through Land Value Taxation and Free Trade.

Dispelling Ignorance

Eight School Directors Report

Of prime importance to the maintenance and development of political agitation for the legislative adoption of the taxation of land values and the free economy is the educational work conducted by the Henry George schools throughout the world. The value of the considerable expenditure of time and money on such activities was amply demonstrated during the Tuesday afternoon session devoted exclusively to progress reports from School directors present from a number of countries. Chairman of this most stimulating and encouraging session was Mr. George Menninger, of Chicago, who with Mrs. Menninger, has conducted many economic study classes in his district.

Expansion in U.S.A.

First to report was Mr. Robert Clancy, director of the School in the United States and Canada. He had entered the movement as a student of the very first class (in New York, 1932) conducted by Oscar Geiger, the founder of the School in the States. About 2,000 students enrolled each year for the basic courses held at the New York headquarters. Seven to eight hundred completed the course and most of them continued with the many advanced courses. There were now twenty strong extensions in the U.S. and Canada, and each in turn acted as host for the School's annual conferences. A particularly successful gathering of this kind had been recently held in Ohio and for the first time every extension was represented. There was an overwhelming demand from at home and abroad for correspondence courses and the department concerned with this aspect of the School's work was vigorously expanding—one correspondence student had been recently elected Mayor of his city (Great Falls, Montana) and was putting his education to good use by making a public issue of land speculation in his municipality. Mr.

Norman Casserley, who had been recently appointed as Alumni Secretary (in charge of post-graduate activities) and International Secretary, responsible for correspondence students, gave a brief report on his work and future plans.

Extensions in California

Mr. Robert Tideman, director of the San Francisco extension, in California, emphasised that although the school was non-political in the party sense, it performed a most useful service by objectively analysing political programmes, equipping students to understand the live political issues of the day, and providing material for numerous graduates active in the political life of the community. Perhaps one of the most important and perplexing issues before them in the States was what they called the "great American tax shift" by which the tax burden was being shifted increasingly from real estate and on to internal trade, incomes, and other revenue sources. The existing real estate taxation was open to criticism—and had been so criticised for very many years—because it brought buildings and improvements under assessment; nevertheless it also recouped for the community some land values, and so Georgeists found themselves in the extraordinary position of having to defend the very taxation which Henry George had himself condemned, lest the ever-vigilant forces of privilege succeeded in sweeping away the assessment roll and making complete and final the tax-shift.

Reports on recruiting and teaching methods, fund raising and various post-graduate activities at two other Californian extensions were given by Mr. William Truehart (director at Los Angeles) and Mr. Sidney Evans (director at San Diego). Of particular interest were the details given by Mr. Truehart about the regular Friday evening radio programme "Events and You" which he conducted from one of the Hollywood broadcasting stations. Prominent local people and visitors were interviewed on current topics and the opportunity was taken to relate the Henry George policy to questions of the day. By tape recorder Mr. Truehart had already secured a number of interviews for his programme while en route to St. Andrews and he had hopes (which were subsequently realised) of adding to his stock interviews with a number of prominent British political personages.

Centres in Great Britain

An account of the history of the School in Great Britain and an outline of some of its achievements and problems was given by Mr. V. H. Blundell, Director of Studies, and by Mr. R. J. Rennie, secretary of the Glasgow Branch. The continuing success of the classes in the various London suburbs gave occasion for confidence, said Mr. Blundell, who paid warm tribute to the staff of voluntary tutors and other helpers who had made possible this important extension of the School's influence. A most successful course based on study of Henry Hazlitt's *Economics in One Lesson*, recently added to the curriculum, served as a useful introduction to a critical analysis of modern economics, and had proved most popular. A series of film strips issued by the *Encyclopædia Britannica* was also being put to good use to expose the extraordinary ideas being taught in schools and colleges. It described life on a mythical Enterprise Island, rich in natural resources, stricken by depression due to there being, according to the accompanying text, insufficient money to go round, and it depicted the Keynesian measures taken in an attempt to restore prosperity. It was, said Mr. Blundell, full of laughable fallacies which students were quick to detect. In Glasgow progress was slow, due in part to the lack of premises and a full-time director, and to the fact

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that two very able tutors, Mr. Charles MacSwan and Dr. F. M. Smith, had left the city. But despite all difficulties, approximately 20 new students completed the basic course each year and stayed with the School to attend advanced classes.

Good Start made in W. Australia

The youngest of the Schools represented at the Conference was that in Western Australia. Mr. W. E. Standing, director, recounted how two years ago it had been started by a group of adherents who had felt that insufficient progress was being made by their purely political activities. Experience had shown that although it was possible to explain briefly and simply the case for land and taxation reforms, a "major surgical operation" was necessary in most cases before people could be liberated from the tyranny of long held economic superstitions, and this could be best effected by group study of George's teachings. A number of sessions had been held, with an average attendance of eighteen to twenty students, which had already produced several thoroughly versed protagonists and a strong nucleus of interested supporters. A charge was made of two shillings for each lecture. Students, once interested, stayed with the School and a number of supplementary activities had been developed. Very popular was the series of meetings addressed by outside speakers in which ample time was made available for questions. One student was the wife of the Director of Visual Education in Western Australia, and through her kind offices the School had the use of a small theatre equipped with a cinematograph projector, and coloured films which had a bearing on economic subjects.

Free Economy Upheld in Spain

We have reported in recent issues the formation and progress of the economic study classes conducted in Barcelona. More detailed information was given to the Conference by Mr. J. Paluzie-Borrell, from that city. An Esperantist himself, he had started by conducting in his own home a class comprised of four Esperantists. It lasted for thirty Sundays, and at the end of that time each was a Georgeist, able and willing to assist him in winning new support. To that end classes had been, and would continue to be, conducted in the city. Enrolments for two classes had been 25 and 30 students, but of the latter only eleven had completed their instruction. Lacking text books in the Spanish language, Mr. Paluzie has produced a printed summary of the main points in each of George's books and this is used as the basis of the lessons given. He has translated into Spanish the new condensed edition of *Progress and Poverty* and when, as is hoped, publication has been secured, better results are anticipated.

The discussion on educational activities was suitably succeeded by the evening session on general propaganda and political action, during which two thought-provoking papers were presented, namely Mr. Clancy's "The Resurgence of Henry George" and Mr. Paluzie-Borrell's "What is Social Science?" The texts of these papers were circulated in duplicated form.

REMINDER TO READERS

Those who would like to see "Land & Liberty" grow are invited to send names and addresses of any who may be prospective readers. Sample copies will be sent without charge.

A free copy of "Land & Liberty" is an invitation to become a subscriber. Monthly 1s. By post 10s. a year; U.S.A. and Canada, \$2.

Prospects in West Germany**Official Support for Land-Value Reform**

Encouraging news from West Germany was brought to the Conference by Dr. Martin Pfannschmidt, a practising architect and former government surveyor. The agitation for land tax reform in his country is well on its way. As early as 1946 government circles in the South German Lands had been prepared to consider legislation for the taxation of land values, but for one reason and another the matter was suspended. In 1950, the Federal Government had resolved in favour of a land valuation which would abolish the "pegging" of land prices required by the legislation of November, 1936, and had called for measures to prevent speculation in land and the unearned gains derived therefrom. Since then the Federal Housing Ministry had been working on the draft of a law whereby increases in land values would be taxable by the Local Authorities, and this apart from the existing real estate taxes. But this proposed action by the Federal Government, requiring land-value assessments to be made by the Local Authorities, was ruled by the Courts to be unconstitutional. The Housing Ministry was now aiming to have these provisions embodied in the laws governing the real estate taxation levied by the Lands Governments. The speaker warned that it would take time before Federal legislation could be secured which would provide for the separate valuation of land apart from buildings, and for the taxation of land values incorporating also increment taxation.

Draft Bill Submitted

Dr. Pfannschmidt had offered recommendations as to the practical application of the taxation of land values in West Germany in two publications*. In March he had submitted a Bill in which his estimates showed that right away a 2½ per cent. tax on land values would suffice to free all buildings from the present real estate taxation. If the land-value tax were to be gradually raised within ten years from this 2½ per cent to 4 per cent the harmful and unequal Trade Tax could also be wholly remitted. Repeal of this taxation is demanded by the industrialists, but since its yield forms the main part of local authority revenues, the local authorities would stand by it until an equal amount of revenue was guaranteed to them by means of the rating of land values.

Present Taxation and Land Prices

The greater part of Dr. Pfannschmidt's paper was devoted to post-war circumstances and present day conditions in West Germany. The 1948 currency reform had safeguarded the Lands against state bankruptcy, but had at the same time destroyed all the savings of the middle classes. High levels of taxation had been retained and a war damage contribution imposed, under which capital assets were taxed on their full value whereas real estate was charged on the basis of assessments "pegged" at an artificially low level. The liberation of home and foreign trade from the restrictions of the planned economy had raised industrial and agricultural production, but it would be a mistake to regard the consequences of German vitality and energy as an "economic miracle." Only 44 per cent of the national product was retained by private individuals. Of the total revenue collected, more than 40 per cent came from sales taxes and other inflictions on trade and consumption, while income taxes and company taxes together accounted for more than a further 40 per

* *Die Bodenrente im Raumwirtschaft und Raumpolitik* (reviewed L. & L., April, 1954) and *Die Bodenwertbesteuerung in der Steuer- und Finanzreform*, Frankfurt, 1955.

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cent. Taxes on real estate (of which about one-half fell on land values) produced only 3.7 per cent of total tax revenues. That proportion had remained fixed while the proportion of the rapidly growing national income that had gone in privately collected land rent had increased. As a result of thus under-taxing land rents, and over-taxing labour and capital, the price of land and of materials had reached exorbitant levels—in Dusseldorf, Bonn and Stuttgart, for instance, land prices had trebled since 1950. In an attempt to meet this situation and to replace the 2½ million houses destroyed during the war recourse had been taken to a mistaken subsidy policy which had despoiled labour and capital to the benefit of the landed interests, and had led to the erection by the State and the municipalities of huge blocks of very small flats. High land prices had also severely circumvented the provision of needed small holdings, obliging many disappointed peasants to emigrate.

Taxation Does Matter

French League Countering Popular Indifference

Regrettably circumstances prevented the attendance of Mr. Max Toubeau, secretary of the French League for the Taxation of Land Values, Fiscal Reform and Free Trade. His Paper *Does Taxation Matter? Meeting Sceptics in France* was read to the Conference by a compatriot, Mr. Gabriel Stampfer, from Grenoble.

As described by Mr. Toubeau, the popular attitude in France towards taxation differs not at all from that to be found elsewhere. People found the payment of taxes disagreeable, they knew them to be harmful and unjust, but being ignorant of the only alternative to imposts levied on labour and labour products they adopted a resigned indifference as to the sources of needed public revenues.

The Physiocrats and the Revolution

Two centuries ago the Physiocrats had attempted unsuccessfully to obtain fiscal justice. At that time, as Taine has recorded, not one transaction, not one act of displacement or exchange of goods escaped fiscal inquiry, and defaulters suffered the severest penalties. Discontent was rife, but the privileged were blind, and the great liberal statesman Turgot who had wanted the single tax on land was dismissed by Louis XVI. The year after the Revolution, the States General voted for the principle of a land tax which would have furnished the State with four-fifths of its budget receipts—it was almost the single tax proposed by the Physiocrats which Turgot had tried to introduce. But war and counter-revolution intervened, indirect taxation was re-introduced to meet military expenses, and the land tax which the Constituent Assembly had desired lost its importance. Large estates were reconstituted in certain regions, and most of the returned émigré nobles regained possession of their old lands.

Tax-Exempt Waste Lands

The real estate tax in France to-day is virtually non-existent having been replaced by indirect taxes. Obviously as a consequence of this unwise taxation policy, one-fifth of the total agricultural land (to quote recent official figures) is lying waste. The author believed that most of this land formed parts of large estates, retained as hunting-grounds and as evidence of the landed greatness of the owners. A legal plan had been drawn up at the instance of a senator to form a company empowered to purchase abandoned land.

There had been great public indignation when the existence of waste lands even in the heart of Paris was made known

at a time when in response to the broadcast appeal of the Abbé Pierre charitable aid was being given to the homeless in the city. Encouraged by the State and armed with powers of expropriation, capitalist companies had laid claim to any land which suited them, and had built great blocks of flats thereon, but so high were the rents and sale-prices they had charged that the homeless were in no way benefited.

Recently Mr. Mendes-France had said in the French Parliament: "We are again in 1787 . . ." Sporadic movements, like the refusal to pay tax, the collective closing of shops, traffic obstructions on the roads, were of a kind to bear out those who feared a repetition of history. It was the task and duty of the French League to show and profit from the lessons of the past, to oppose against the sceptics the ideas of the Physiocrats, of Henry George and others, and to demonstrate a determination to organise peacefully a better social life.

A World Divided

Privileged Interests in Retreat?

For his address, "A Look Around the World," Mr. J. Rupert Mason, the retiring President, drew upon his extensive firsthand knowledge of economic, political and social conditions in many countries, supplementing this with information gained from the correspondence he has conducted during his presidency with political leaders and vice-presidents of the Union throughout the world. He spoke of the tragic divisions between east and west, and in Korea, Germany, China, Jerusalem and elsewhere, and of the great unifying influence which free commerce between the peoples of the world could achieve. Monopoly and privilege stood in the way but, in his opinion, those retrogressive forces were being forced everywhere on to the defensive, and he gave interesting instances of defeats they had sustained in the United States. An outstanding case had been the unanimous decision of the U.S. Supreme Court in the *Shelley v. Kramer* "restricted covenant case" in 1948. The Californian Alien Land Law had then been ruled to be contrary to the spirit of the 14th Amendment to the U.S. Constitution which guarantees to American citizens equal rights under the law to life, liberty and property. Under that now repealed Californian legislation, landholders had been empowered to make restrictive covenants, the effect of which had been to deny Asiatics the right to own or occupy land in the State, and Mr. Mason well recalled how when he had been in Japan during the nineteen-thirties jingoists there had turned it to account in stirring up enmity against the United States. Denying equal rights, this sectional legislation had been contrary to the letter and spirit of the Constitutions of both the United States and the International Union, and it had played its part in bringing Japan into the last world war. By analogy, Mr. Mason showed the need for the undoing of other mischievous legislation both in his country and throughout the world. How interesting it would be, he remarked, if a test case could be brought before the U.S. Supreme Court to judge the constitutionality of some of his country's tax statutes. In his opinion, only taxation levied on land values was consistent with the principles of the American Constitution.

The California Constitution dating from 1879, the year in which Henry George wrote *Progress and Poverty* in that State, requires that assessment rolls show separately the value of land and the value of buildings and other improvements. Mr. Mason saw in this, and in the taxation powers possessed by the Irrigation Districts and by other political subdivisions of the State, which he outlined, the reason for California's prosperity and continuing expansion. Similar opportunity awaited Pennsylvania provided that advantage was taken

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of the enabling legislation passed in 1951 whereby the forty-seven third-class cities of that State may apply the principles of Henry George.

Business Meeting

Thursday morning was occupied by the General Meeting of Members of the International Union convened to receive administrative reports, elect officers, etc., as "minuted" in another column.

Land-Value Taxation in Denmark

Mr. Dan Bjørner of Copenhagen, presiding at the two sessions on the Friday morning, said they were proud to have with them Mr. K. J. Kristensen, the Chief of the Danish Land Valuation Department, the movement being particularly fortunate that a man of their own body and of such proficiency was given to serve in that most responsible position. Mr. Kristensen, modestly acknowledging the compliment, said that the paper he was presenting on *Land Valuation and Land-Value Taxation in Denmark* endeavoured to give them a clear picture of what had thus far been accomplished in the way of practical legislation in his country. And it was so. Exhaustively he dealt with the methods and procedure adopted for ascertaining and establishing the "land value" as apart from buildings and improvements, describing how the work was organised and its remarkably democratic and economic administration; what excellent aid they had in the use of the land-value maps (illustrations of which were contained in the paper) whereby the public itself was able to co-operate in assuring satisfactory results; how agricultural and urban properties were treated; how the problem of "improvements that merge in the land" was resolved; what provisions were made for dealing with objections and appeals; on the whole a virtual text-book for the practical valuer in any country; and in that respect, in this "how they do it in Denmark," a guide that deserves and will certainly be given attention in all the influential quarters we can reach. Since a land-value tax was initiated in Denmark (in 1922) there had been periodic valuations of the country in 1924, 1927, 1932, 1936, 1945 and 1950 and the next valuation, for 1956, was now proceeding. By the latest (1950) valuation, the aggregate assessed capital value of taxable land, apart from improvements, was returned at 8,300 million crowns, the value attributable to improvements being 18,600 millions. The second part of the paper gave an account of the land-value taxation now in force and of the extent to which improvements were tax-exempt, the details of that information being too extensive for recital in this review. In summary, the revenue obtained in 1954/55 from rates and taxes on land values was 314 million crowns while that from taxation on improvements was 138 millions. On land values the average rate of tax was 3.7 per cent; on improvement values it was not more than three-quarters per cent.

There followed a most instructive discussion period with many questions bearing on practical aspects put and authoritatively answered.

At the second session on Friday morning, which is dealt with separately on another page, consideration was given to certain proposals contained in the Report issued last October by the Danish Land-Values Commission. The discussion was based on an explanatory memorandum prepared by Mr. A. W. Madsen, approved by Mr. Kristensen and printed as a Conference paper on the generous initiative of Mr. Bjørner.

Other Events

Other events not here reported but mentioned elsewhere in our "Diary of the Conference" included the preliminary gathering on the Sunday evening with the animating discourses on the ethical aspects of the Henry George social philosophy given by the speakers respectively from California, Denmark and West Australia, Messrs. R. C. Bryant, Dan Bjørner and W. E. Standing; the Monday and Wednesday evening sessions given to further consideration of topics that had gone before; the whole Friday afternoon devoted to reviewing and gaining lessons from the practical operation of the land values policy in a number of countries, the latest report being that from New Zealand, which is printed on another page. Wednesday afternoon the members were at leisure, most of them going on a sight-seeing coach tour into the surrounding country. On the Thursday evening the Conference was entertained in the Provost and the Town Council, in the Town Hall, at a civic reception which included a theatrical performance by the local repertory company. Finally, the concluding session on the Friday evening held in the large and comfortable lounge of the St. Salvator's Residence Hall. It was an informal and happy occasion, to hear speech from many who had been content to be listeners during the week, the President, Mr. Lucas, specially inviting them to take part. They were heard with greatest appreciation, not only for their testimony to the value of the Conference but also for the interesting personal touches they contained, what they were doing and aimed to do in their own field and what were those fortunate circumstances, frequently quite accidental, that had first attracted them to this cause to which they were now dedicated. Such incidents are not uncommon, changing the whole course of one's life, awakening and confirming belief in the possibility of the good society.

The meeting concluded with hearty votes of thanks to all who had helped to ensure the success of the Conference. In this were included Mr. W. E. Bland, who so competently took charge of the financial matters, and our translators for their valuable services: Miss E. A. Walden, from the French of M. Max Toubeau; Mr. F. R. Jones, from the Esperanto of Sr. Paluzie-Borrell; and Dr. R. Johne and Mr. R. D. Young, from the German of Dr. Pfannschmidt.

PRESS PUBLICITY

Day by day extensive reports on the proceedings of the International Conference appeared in *The Scotsman* and the *Glasgow Herald*. Advance notice and a subsequent detailed account was given by the St. Andrews weekly *Citizen*.

Local newspapers throughout Scotland published notices and reports of the Municipal Conference on Land-Value Rating.

BOOKS RECEIVED

Henry George. By Charles Albro Barker, Professor of American History at The Johns Hopkins University. The Oxford University Press (London: Geoffrey Cumberlege). 696 plus xviii pages. Price 57s. 6d. net.

Veinticuatro Articulos. Twenty articles, philosophic essays on the freedom of production and the freedom of trade. Cloth bound, 128 pages. Published in Spain by the author, Rogelio Casas Cadilla.

A Creed for Free Enterprise. By Clarence B. Randall. Little, Brown & Co., Boston, Mass. \$2.75.

Freedom's Faith. By the same, and the same publishers. \$3.

A Foreign Economic Policy for the United States. By the same. Published by the University of Chicago Press. \$1.95.