

is so powerful that it will probably delay the escape of the masses of mankind from fear, privation and needless servitude for some unhappy generations."

Yours, etc.,  
C. E. CLARKE.

#### NEW ZEALAND

Mr. A. Parlane, Wellington, N.Z., writes: "Recently in New Zealand there has been a strong agitation from vested interests to have the cost of hospital maintenance removed from rating of property and placed on the Social Security Fund, which is constituted by a levy of one shilling in the pound on salaries and wages. I regret to say that our Labour Government has given way to this agitation to the extent of making an additional contribution from the Social Security Fund of 3s. per occupied bed per day, thus transferring a considerable proportion of the cost of hospital maintenance from the property owning to the non-property owning class.

"In order to counter the swing in this direction a number of us are moving in the direction of forming an organisation to carry on propaganda in favour of taxation of Land Values and to oppose all taxes that act in restraint of trade or tend to retard industry. You will no doubt hear more of this organisation in the near future."

#### LEGISLATION

A correspondent has asked whether the text of Bills making full and detailed provision respectively for the Taxation of Land Values (i.e., for national purposes) and for the Rating of Land Values (i.e., for local purposes) have been prepared. This is a matter to which adequate attention has been given. The proposed legislation as drafted for the National Land Value Tax embodies the useful features of the Snowden Finance Act of 1931 and amplifies and corrects those of the provisions which were defective. In regard to the local Rating of Land Values, the London County Council Site Value Rating Bill, introduced in the House of Commons in the session 1938-9 is, with minor adaptations, the precedent for the necessary legislation applicable to all rating authorities in the country.

**LAND PRICES IN THE TRANSVAAL.**—At the annual meeting of the Transvaal Consolidated Land and Exploitation Company held in Johannesburg on 20th May, a profit of £177,361 was reported (*Times*, 27th May), being an increase of £47,057 compared with the previous year. A feature of the "exploitation" is disclosed in what is said about the land sales: "There had been a strong demand for farm land throughout the year; 490,207 acres had been sold at an average price of 8s. 6d. per acre, compared with 549,086 acres sold in 1941 at an average price of 6s. 2d. per acre. Since the close of the year 56,524 acres of farm land had been sold at an average price of 11s. 8d. per acre."

## SOCIAL CREDIT AND THE LAND QUESTION

THERE HAS recently been issued by the Farmers' Action Council and published by K.R.P. Publications Ltd. a leaflet giving "proposals by Major C. H. Douglas [the inventor of Social Credit] for a solution of the land question."

The nature of these proposals will appear from the following extracts:—

"(1) Absolute security of tenure for life, including complete abolition of land taxation of every description. The imposition of a land tax shall be *ultra vires*.

"(2) Abolition of land sales between individuals as of right. Registration of sale to take place five years after payment of purchase price, on petition of purchaser supported by six adjacent neighbours, who are landowners.

"(3) County councils to be obliged to purchase at a valuation all land offered for sale and to advertise for re-sale only to approved purchasers, who must obtain support of six adjacent landowners.

"(4) No state or public body to hold land for which a properly supported application from a private individual is made at the valuation price.

"(7) The initial valuation of land to be that shown in the last conveyance as consideration. Every five years a landowner shall be entitled to make a claim, properly substantiated by accounts, in which his own activities shall be included as manager, for increased value. On the admission of this claim by a properly constituted County Authority against whose adverse decision appeal to a committee appointed by the Land Agents' Society shall lie, seventy-five per cent. of the cost of this increased value shall be refunded to the landowner in County Bonds bearing interest at three per cent., and twenty per cent. of the increased valuation shall be added to the transfer value of the land."

These strange ideas hardly deserve serious notice were it not for the fact that a number of well-meaning people think that Social Credit offers a solution of economic problems. None of them has ever been able to explain what answer Social Credit gives to the two simple questions: (1) Assuming that your plan is a valuable one, how do you propose to prevent the landowners absorbing the benefits in increased rent or land value? (2) As land is the only source of wealth, how do you propose to enable landless workers to get land?

It is now evident that the originator of Social Credit does not want landless men to get land or the public to recover the value which the community gives to the land.

On the contrary, he proposes that no taxes shall be levied on land or the value of land. He proposes to make the ownership of land the privilege of a favoured few, for the landowners themselves will say who is to join their ranks.

At first sight it would appear that the proposal to add only twenty per

cent. of the increase in value to the official valuation is a means of securing the balance for the community. This is not so, because the county council is to be obliged to sell to anyone who offers the official valuation figure.

The landowner will in effect be able to borrow cheaply any money he wants to spend on improvements, because he will have seventy-five per cent. refunded to him in the form of a county bond bearing three per cent. interest. So long as he keeps the land or gives it by will to someone else, he and his successors can enjoy all the land value free of tax. If he sells it he apparently gets only twenty per cent. of any increased value and the purchaser gets the remainder.

It reminds one of how Hitler fulfilled his early promises of land reform by creating inalienable hereditary land tenures.

As, however, the basic idea of social credit is a fallacy, it is not surprising that its offshoots should be unsound.

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