

it is of no importance to maintain stable rates of exchange. In other words, if an English manufacturer has sold a bale of cloth for one hundred dollars, he does not mind whether he can change them into £25 or £20 of English money, although the one means a profit and the other a loss. (3) That by putting money into circulation, you can keep down the rate of interest. But if by the rate of interest is meant the ratio between the net return to capital and the amount of capital employed, this will remain the same. Altering the measuring rod does not alter the ratio between two quantities. (4) That although workmen object to working for less money wage, they do not object to working for less real wages. But are they in fact as unintelligent as the people who propound these theories?

By way of relief we may quote two of the sensible observations made in the debate, both by Mr. Pethick-Lawrence: "No banking system can create expansion: the only thing that banking systems in the past have sometimes done is to check expansion." "The main risk of non-co-operation in this matter of international trade is that instead of getting multilateral trade we may go back to bilateral trade, and, what really it would be, bilateral barter, and it would be a very serious thing if we were forced back into that position."

Sun Yat-Sen's Policy

"Dr. Sun Yat-Sen was especially influenced by Henry George's *Progress and Poverty*. He never became a single taxer, but George's theories . . . left a permanent impression on his social teachings"—quoting from the long article in the May issue of *Great Britain and the East* on "The Theories of Sun Yat-Sen" by Dr. Hu Shih who, one of China's greatest living scholars, is now higher adviser to the Executive Yuan and was Chinese Ambassador to the United States from 1938 to 1942. Dr. Hu Shih gives a concise summary of Dr. Sun Yat-Sen's economic programme which is to be found in his "Outline of National Reconstruction," clauses (2) and (3) of which are:—

"(2) Each hsien (county) government, inaugurating self-government, must first determine the value of all privately-owned land within its jurisdiction. The owners shall themselves report the land value, and the government shall assess taxes on the basis of the declared value. All subsequent rise in land value due to political improvement and social progress shall be considered as the public property of the people."

"(3) All 'unearned increment' of land value, all products of public domain, all yield from the natural resources of the nation (such as mines, water-power and forests), shall be the public property of the local governments and shall be used for public enterprises and for public benefit."

Whether it is true or not that Dr. Sun Yat-Sen "never became a single taxer" depends on how this statement of policy is interpreted. The term

"unearned increment" is often used to mean the actual value of land apart from buildings and improvements and not merely that part of the land value which represents an increase after a given date; but the literal interpretation is the *increased* value and nothing more. Again, in Clause (2) one notices the emphasis upon "all subsequent rise in land value" for collection as public property, as if the present economic rent of land should not be so destined (?). On the other hand, Dr. Sun Yat-Sen proposed that taxes were to be assessed upon the ascertained land value, but did that mean (what would have made him a "Single Taxer") taxation levied to appropriate the actual economic rent of land in place of taxes levied on wages, on commodities and on industry and commerce? If so there was no need to specify "subsequent rise in land value" or "unearned increment" for particular treatment, since land value taxation correctly and fully applied would look after that; escaping the pitfalls and fallacious distinction that would allow economic rent to be divided between landowners and the community when the whole belongs to the community.

Polish Land Reformers

The Moscow correspondent of *The Times*, 11th April, referring to the Polish division that has been formed in Russia, makes the interesting note that "Political education is described as tending to lay stress on the common platform between all the democratic elements, and the future Poland to which the soldiers are taught to aspire is one with a Parliamentary régime, ethnographic frontiers, control of the army by Parliament, and a reformed agricultural system under which, as in Denmark, private holdings are made to square with co-operative purchasing and marketing."

Reuter's special correspondent, reporting in the *Manchester Guardian*, 10th May, watched with Professor Oscar Lange, Polish-American visitor from Chicago University, a review of the new and greatly expanded Soviet-created Polish army. Professor Lange had concluded a four-day visit to the Western Ukraine and had talked with many groups of men belonging to this substantially peasant army. "We want land to be divided up," they told him, "we don't want collective farms and we don't want small shops and enterprises interfered with. We want a democratic Poland, representative of all sections except the Fascists. We know we can only liberate our country with the help of the Red Army, but we don't expect the Soviet Union to interfere in our internal affairs."

Well may it be that these Polish peasants seek to emulate the example of Denmark, if in particular they appreciate those tax principles which laid the foundation of Denmark's agricultural success—the principles of the old Hartkorn tax, which made landholders contribute according to the potential productivity whether they used the land well or ill, and did not tax

improvements; the principles now applied to such a degree in the modern form of land value taxation that the Danish smallholders, landowners themselves, only want progress in that direction carried to the full extent. They declared their faith in the historic Köge resolution of 1903—land value taxation, free trade, no tax on the work of man's hands, no State aids. But how, and how soon, may they be called on to assist with their advice their opposite numbers in Poland who have such visions of a reformed countryside?

A New Lead from Mr. Jinnah?

The Punjab Unionist Party, which is predominantly Moslem but is dependent on Sikh and Hindu support, represents the landed interests whose most able champion is Sir Chhotu Ram, the Hindu Revenue Minister. The New Delhi correspondent of the *Manchester Guardian*, 5th April, reports that Mr. Jinnah, president of the Moslem League, is insisting on the dissolution of the Unionist Ministry. The food crisis in Bengal and other parts of the country and the defiance by the Punjab Government of the Government of India's policy of price control have thrown into prominence the question whether the Moslem League represents the landlords or the poorer classes. Mr. Jinnah's uncompromising mood in regard to the break-up of the Unionist Ministry suggests the policy of gradually dropping the league's pro-landlord affiliations. "Such a development," the correspondent writes, "would be bound to have repercussions all over India . . . even if the Unionist Ministry should survive the present threat, it cannot hope to avert a landslide in favour of Mr. Jinnah at the next general election. Hitherto, particularly in view of Nehru's radical declarations against the landlords and autocratic Princes, these interests had come to regard the Moslem League as their protecting shield against Congress influences. Mr. Jinnah denied with emphasis yesterday in Lahore that the Moslem League represents the landlords. The Moslem League has also been interesting itself in the internal affairs of States like Gwalior, Jaipur and Kashmir. Should these tendencies continue it is likely that the vested interests will withdraw the support they have so far given the league."

Recent difficulties in connection with printing not only caused a very late appearance of our April issue, but also disabled us from producing a May issue. We have therefore made the present issue a double number covering the months of May and June, which is priced at 4d. instead of the usual 2d.

Twopence Each. LAND VALUATION AND LAND VALUE TAXATION IN DENMARK, by K. J. Kristensen, Chief of the Danish Land Valuation Department; THE CRIME OF POVERTY, by Henry George; UNEMPLOYMENT AND THE LAND, by W. R. Lester, M.A.

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