

was not re-enacted (as it should have been) when the time for which it was imposed lapsed.

The half-penny tax on values above £5,000 represents the "first step" in what is termed the progressive land tax. This scheme of taxation was brought forward with the intention of "bursting up" large estates, and was graduated so that values held by one owner above the amount of £100,000 would have been subject to a tax of three pence in the pound\* but our Legislative Council† (elected on a property franchise qualification) refuses to take more than the "one step."

While the object of the progressive land tax is very desirable, the principle that every owner should contribute in proportion to the land values he holds, is lost sight of; also, it fails to recognize that in the aggregate a number of small estates held out of use for speculative purposes, is as bad for the community as one large estate. However, the Federal Parliament is proposing this form of taxation, and with a Labor party majority in both the House of Representatives and the Senate, its passage is assured. That will remove this "bone of contention" between our popular House and our House of "Land-Lords."



From the enclosed "fighting platform" of the South Australian Labor party‡ you will see we propose certain exemptions from income tax, reduction of railway freights, and increased road grants, the deficiency in revenue resulting therefrom, to be made up by an increase of the land tax on the "all-round" basis. This will probably mean at least another penny in the pound, in addition to the existing half-penny.

We have a majority of Labor members in the House of Assembly, but only four members in the Legislative Council out of a total membership of eighteen. Two other members of that House may possibly support the proposals.

Friends and foes of land value taxation both recognize in the Legislative Council the only barrier to a further installment of the tax. Our position

\*Six cents in \$5.00.

†Similar to the senate of an American State.

‡The platform enclosed is as follows:

#### FIGHTING PLATFORM.

##### Franchise.

Adult Suffrage for the Legislative Council, with the object of its ultimate abolition.

##### Industrial.

Compulsory Arbitration.

##### Land Settlement.

Progressive Land Tax on the lines of New Zealand. The State will drop this proposal if adopted by the Federal Parliament.

The right of the Government to Resume Land for Land Settlement and Public Purposes on the valuation accepted by the owner for taxation purposes, plus 10 per cent.

##### Finance.

Cessation of Borrowing, except for (1) Conversion of Loans, (2) Completion of Public Works already authorized, (3) Works which will show interest on Capital borrowed and provide for a Sinking Fund.

##### Taxation.

(1) Abolition of Income Tax on incomes derived from land or produce of land; (2) Raising Exemption on Incomes derived from personal exertion to £300 per annum; (3) Reduction of Railway Freights; (4) Increased Road Grants to Districts not served by Railways; (5) Deficiency to be made up by an all-round tax on Unimproved Land Values; (6) Increased Taxation of Absentees.

here in respect to the Legislative Council is worse than the position between the Commons and the House of Lords.

We have no effective dead-lock provisions in our Constitution. For years there has been a "dead-lock" between the two Houses on the question of effective dead-lock provisions. Bills are rejected or mutilated every session. It is largely on our policy of adult suffrage for the Council that we have secured a majority in the lower house; but the will of the majority has been ignored for years. A bill for an extension of the franchise for the Legislative Council to Adult Suffrage passed the House of Assembly in August last. Every constitutional means will be exhausted by the Labor government to secure reform of the Council; and if these fail and the Labor party survive the appeals to the constituencies (which will be necessary), other means than those within the four corners of our cast-iron Constitution will have to be resorted to in order to give effect to the people's will.

With the reform of the Council, the way will be made clear for many other reforms, the greatest of which is "land reform" per the medium of the tax on unimproved values.

CLARENCE GOODE.



## BRITISH POLITICS.

London, Jan. 3.

We have just got through the throes of another general election, with sufficient success fortunately for the Liberal party. No doubt if the Liberal party had a fuller grasp of the importance of the land question, they would have shown the true position of the House of Lords in their capacity to control the use of the land and to bolster up land monopoly. But the party's education has not gone quite so far. Mr. Lloyd George was the only prominent statesman who emphasized the importance of the land question, and what he could do was surely not out of place for other Liberals to do. But it seemed that the "machine" decided it was to be an election on the one issue of the House of Lords, in order that no one might turn around afterwards and say that the people were beguiled by other cries.

The size of the majority does not matter much. It is sufficiently strong to carry democratic measures; and it is for advocates of the taxation of land values to do their utmost to make the pace for land reform. The whole question of local taxation will probably come under review in the present session. Mr. Asquith long ago said that the relationship between Imperial and local finance must be radically overhauled, and the system of what is known as "doles" to local authorities be put a stop to. How exactly the Government will carry out this readjustment, we don't know; but if they would only act on the Memorandum of the Land Values Group in Parliament,\* they would speedily get things in order.

Very often the language of politicians is clothed in ambiguity, and when our leading men speak about adjusting local burdens one does not know whether they mean readjustment of local and Imperial taxation, or readjustment of local taxation itself. We

\*See The Public, vol. xiii, p. 779.

hope that when Parliament assembles, the Land Values Group will be very active, and hold the Government to the many pledges they have made to tax land values locally, and to fulfill all the promises of the bills that have been repeatedly balked by the House of Lords.

A. W. MADSEN.

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## INCIDENTAL SUGGESTIONS

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### WHY BONDS AT ALL?

Denver, Colo., Jan. 9.

A rumor is afloat of a project to make "a popular loan" of the \$292,000,000 Panama bonds. Secretary MacVeagh's proposition, as I saw it set forth, was to issue the whole amount in 3 per cent bonds of such small denominations that they would be widely distributed—no one person to be allowed to have more than \$500, and national banks not to be permitted to use them as a basis for circulation.

That would be better than giving them over to a banking syndicate, but why have any bonds at all?

Why not save the 3 per cent by issuing currency as needed and using it in paying running expenses?

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Such a currency, bearing the government's promise, not to "pay" but to "receive" for all debts due the government, would help us all. Nobody but the bankers would object, and if they should act ugly about receiving the notes of the first issue the rest could be made "a legal tender for all debts public and private" without any "except."

It is hardly probable that that would be necessary. The national banking system, alias the U. S. Money Trust, keeps the fingers of one hand on the public's pulse (while the other is in the public's pockets), and it knows very well that that pulse is being stirred as never before by a dangerous question: Why should we, the people as a government, give our national credit to the bankers, and then as individuals be compelled to borrow it back and pay interest on it?

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Until recently only a few, comparatively, have seemed to realize that the foregoing question contains the essence of the national banking system, which "saved the country in the war of the Rebellion." A good many know it now; and they know, too, that the dreadful roaring monster in the Wall Street caverns is only a bogey-man to frighten timid legislators and government officials into doing Wall Street's bidding. Show him a bold face and he becomes as gentle as a sucking dove.

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Now is a good time to establish an open road between the government and the people, so that every dollar which comes to us need not travel over the bankers' turnpike and pay toll at their gate—6, 8 or 10 per cent.

Who runs this country, anyway—we, or the bankers?

CELIA BALDWIN WHITEHEAD.

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## NEWS NARRATIVE

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To use the reference figures of this Department for obtaining continuous news narratives:

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article, on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order and you will have a continuous news narrative of the subject from its historical beginnings to date.

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Week ending Tuesday, January 17, 1911.

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### The New York Senatorship.

At a caucus of the Democratic members of the New York legislature at Albany on the 16th, William F. Sheehan was nominated as the Democratic candidate for United States Senator to succeed Senator Depew. But so many Democrats refused to attend the caucus that Mr. Sheehan's nomination was made by a minority of the legislature. Only 91 attended. Of these 22 voted for Edward M. Shepard (p. 51), 7 for D. Cady Herrick, and 62 for Sheehan. The caucus then made Mr. Sheehan's nomination unanimous. The Democrats who refused to attend issued an explanatory statement in which they are reported to have said that they had—

refused to go into caucus as distinguished from a conference, for the reason that they believed the vote of those who represented the people should not be smothered in a caucus, that the people should know first how their representatives vote untrammelled by any caucus action, and that a majority secured for any candidate should be credited to the representatives of the people in the legislature, not to some one outside the body.

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Also on the 16th the Republican caucus nominated Chauncey M. Depew to succeed himself, giving him 58 votes to 2 for Roosevelt, 1 for Seth Low and 6 scattered.

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Voting began in the two houses of the legislature sitting separately on the 17th. The vote in the Senate was as follows:

Democrats—Sheehan 25, Shepard 2, Herrick 1, Gerard 1, Littleton 1. Republicans—Depew 206, absent 1. Necessary to elect, 26.

The vote in the House was as follows:

Democrats—Sheehan 66, Shepard 12, Parker 6, Herrick 1, Gerard 1, Littleton 1. Republicans—Depew 59, absent 4. Necessary to elect, 77.

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### The Strike of the Chicago Garment Workers Nearing an End.

With the signing of an agreement between Hart, Schaffner & Marx, the largest clothing manufacturing concern in Chicago, and the rep-