

NEW ZEALAND.

Mr. Arthur Withy sailed from England on August 5th to take up the work of advocating the Taxation of Land Values in New Zealand. Mr. George Fowlds, M.P., Minister of Education in that Colony, with some other friends of the movement have invited Mr. Withy to undertake this work. His many friends in England will regret Mr. Withy's departure. While he served the Liberal Party faithfully and zealously, he recognised that the Taxation of Land Values was the principle which claimed the supreme attention of Liberal politicians and devoted himself with enthusiasm to its advancement. We congratulate the New Zealand people on acquiring Mr. Withy's services, and we wish him every success on his return to the Colony, whose example in land reform he has so often referred to here.

THE NEW AUSTRALIAN LAND TAXES.

EFFECT UPON BRITISH INTERESTS.

BY IMPERIALIST, IN THE MORNING POST, AUGUST 18TH.

There is a certain amount of uneasiness in some London financial circles as to the effect which the new Australian land taxes, proposed by Mr. Fisher's Ministry, will have upon British interests. A great deal of British capital is invested in Australian landed estates, directly as in the case of the Van Diemen's Land Company and the Australian Agricultural Company; indirectly as in the case of the many mortgage and finance companies the bulk of whose capital is held in Great Britain.

There is no possibility of being truthfully reassuring in regard to the prospects of British companies holding large landed properties in Australia. It is quite certain that the land tax proposals of Mr. Fisher will pass through the Australian Legislature without any very serious alteration. There is a chance, but the chance is a remote one, that the new taxes will be declared unconstitutional by the High Court, as an income tax was once declared unconstitutional by the United States Supreme Court. Even that event would mean probably the delay rather than the abandonment of the taxes. A constitutional amendment giving unmistakable power to impose the taxes would be almost certain to be proposed and to be carried. It is equally clear that the imposition of the taxes will make the holding of large areas of land in unproductive form absolutely impossible. For good or for evil, Australia is determined to "bust up the big estates," as the local phrase goes, and to devote the best of the country to the use of small proprietors.

The new land taxes rise to the rate of 6d. in the pound on very large estates. When the estate is held by an absentee the rate is 7d. in the pound, as there is an extra surtax of 1d. on absentee landlords. Thus an English company holding £200,000 worth of land in Australia would be faced with a yearly tax of £5,833. It must be made clear, however, that the rate is on the unimproved value, not the improved value. For purposes of taxation the land is reckoned at its "natural," its "prairie," or its "site" value—all three terms are used—that is, its value without buildings, fencing, drainage, crops, or any improvements at all. Also there is no taxation of small areas. The small farmer will escape without any taxation. The very big farmer will pay but a negligible sum. The average pastoralist will not be hit hard. The person aimed at is the holder of very big areas, and of areas not put to their best productive use.

Very grave injustice, however, will be done if the Act does not safeguard the interests of city landholders. To argue for a differentiation in favour of the city as against the country landowner seems contrary to all sound politics. But in the case of a penal tax, imposed for the specific purpose of forcing the subdivision of great estates held unproductive, and basing its calculations on cash value, it is easy to see that others will be hit than those aimed at. Accepting, for the sake of argument, that it is justifiable to impose heavy taxation on the man holding £100,000 worth of agricultural land with the object of forcing him to subdivide, it is not justifiable to impose the same tax on the man holding £100,000 worth of city land and putting it to the best possible use. Subdivision in his case is impossible. A great store, a bank, a life insurance company might easily use for its offices an area of land worth £100,000. To impose a penal tax to "force subdivision" would be absurd. This difficulty might be met by a provision that the high penal rates of the tax should not operate as regards areas under ten acres in extent. British capital is largely interested in this branch of the subject, and should take steps to see that its view is put before the Parliament of Australia.

Regarding Imperial migration, the effect of the new Australian land taxes is designed to be that of opening up the country for crowds of small settlers and thus leading to a quick increase of population. If that result follows it will be a cause for congratulation. It is not likely that the financial stability of Australia will be in any way endangered by the new land taxes. The individual interests of some will suffer; for others there will be probably benefits. The aim of the new legislation is certainly good, to settle a numerous small yeomanry. The method must for the present be classed as merely an experiment.

UNITED STATES.

LOUIS F. POST ON THE SITUATION.

You are right in your inference from the American news that reaches you that we are likely to make a great advance in the States very soon; but do not allow yourself to be misled by the outward manifestations. They are very superficial, and are likely to continue so to be. The most marked thing nationally is the outbreak in the Republican party, which, in the slang of the newspapers is called "Insurgency." It would have to be placed somewhere between your radical Liberals and your conservative Liberals. You have nothing on your side that is quite analogous to it, because your Tory insurgents are Chamberlainites, and your Liberal insurgents are radical in thought. Our insurgent movement has a great deal of personal feeling in it; not personal in its animus, but a political attitude which personifies the issue. At the same time, there is a strong current among the insurgents; in fact it is *the* current, so far as the tariff is concerned, toward insisting upon having no higher tariff than enough to protect wages from the competition of foreign labour. This position is much more hopeful for Free Traders than you would be very likely to infer; for it is so easily demonstrable that American wages, when measured by product instead of time, are lower than foreign wages, that a straight out honest insistence, such as the insurgent movement is, upon limiting production to wages would probably soon collapse into a demand for a tariff for revenue only, which is the best we can have without amending our constitution; and the impetus might be so great as to carry the movement on to a point where amending the constitution, so as to allow direct taxation and absolute Free Trade would be easy. So much for the tariff possibilities of the insurgent movement.

Another phase of the movement is known as conservation. This means that the public lands still owned by the general Government shall not be frittered away to land grabbers, land monopolisers, or anybody else, but shall be utilised—the mineral land especially—under a system of national leasing. The conservation argument goes a long way farther, however, than to the lands still held by the Government. It deals liberally with the lands that have already been frittered away, pointing out what a great thing for the people it would have been if these lands—the anthracite coal deposits of Pennsylvania, for instance—had been put to use under State or national lease, instead of being given away or sold; and in this connection the insurgent conservationists get hopefully near to fundamental principles in the arguments they make. The conservation movement itself is divided between those who mean it, and those who have been forced into it to prevent its "going too far."

The national system, however, is not our best hold. We can only hope that national currents will run in our direction, and by helping along as opportunity offers in one way and another try to make them run that way, or rather prevent their running the other way. But in the cities there is almost a tidal wave in our direction. Looking at it superficially, one would hardly think that it was flowing in our direction, but that it is doing so is unmistakably the fact, as I gather it from our folks through correspondence and personal calls from all over the United States. I refer to the movement for the commission form of government for cities. Originally this meant no more than autocratic business government by a small commission of five members or thereabouts, who could be removed from office only at the end of their terms. But this commission plan—good in itself simply for the purpose of administration, but utterly lacking in democracy—was soon improved by reserving to the people the right of initiative for new measures of referendum for vetoing objectionable legislation by the Commission, and recall by pulling a commissioner out of his office at any time. Although these measures were first intended only as a check upon the Commission, they are laying a firm foundation for our people, in any city in the country having a commission govern-

ment, to make as radical a proposition as to Land Value Taxation as may at any time or in any city be considered worth making; dependent, however, upon one thing which the cities have not yet got, but in favour of which public opinion is growing rapidly, namely, the granting to cities by the States of the right to control their own taxation.

What with the tariff question in its present shape in national politics, the conservation question also in national politics, and the Commission form of government and local option in taxation, it looks to me as if we are likely very soon to make progress, and not only progress, but substantial and irrevocable progress.

When you get the campaign book from Oregon prepared for the election to occur in November, be sure to read it very carefully and to grasp its significance, that within a very short time we shall have a battle royal for Land Value taxation, which is bound to send that issue far ahead in the State of Oregon and probably nation wide for the discussion it will get; and this regardless of victory or defeat; and it is by no means improbable that the battle will end in victory.

Enquiring friends will be glad to know that we are constantly in communication with Tom L. Johnson, and that he is improving in health. He has been at the sea-coast for quite a couple of months, where he is having a quiet time. He writes:—

"I like the way you are taking hold of things in Wales and generally. You seem to have the movement well in hand. The trip to Denmark seems to have been well worth while; judging from your news, when I come to see you again I should surely take in Denmark.

"The Address to the Lord Advocate was most appropriate. I shall never be satisfied until I go to Scotland again. I have been at the sea-shore four weeks, and expect to see another five. I have made steady progress; play golf in the forenoon in one way or another, and rest quietly in the evenings.

"Give my love to all your people.

"The report of your Committee is most important and encouraging document.—Yours devotedly, TOM L. JOHNSON."

DENMARK.

THE CONDITION OF LABOUR THROUGH A PROFESSOR'S GLASSES.

By KARL MORTENSEN, HUSMAND, in RET.

Prof. Cl. Wilkens, of Copenhagen, last winter delivered a series of University Extension lectures on "Productive Labour and Its Conditions." The promising title of the lectures and the opportunity to listen to the views of a representative of the University about the condition of labour attracted interested audiences.

In the first lecture the Professor treated the three factors, Labour, Land and Capital. Speaking on population and land the Professor showed himself as a rather strong supporter of the Malthusian theory of population, "that population had a tendency to increase beyond the means of subsistence." He also supported the present capitalistic and monopolistic system. In reply to a question put to him: "Are the conditions of productive labour equally good if ground rent goes to private people, as if it is taken and used for public purposes?" the Professor, after some quibbling, said:—"I think that the conditions of productive labour no doubt would be better if ground rent was taken for public purposes, as the labour in that case would be free from taxes. There can be no question about that." In reply to a second question—as to whether this view could be regarded as representing the standpoint of economic science, the Professor said that his opinion was his own, and that perhaps it would not be true if the land was parcelled so much, that for instance every third inhabitant was a landowner, and further the Professor said: "The question is of little interest, as ground rent is now private property, bought and paid for according to existing rights (existing laws?). *Economic science can never advocate a change of these rights.*"

We may compare with this what the Professor said in his first lecture:—"A landowner has no shadow of right to demand the increase of rent for himself; this increment exists irrespective of his doings and the only way the owner is connected with ground rent is that it is flowing as a perpetual stream of gold into his pockets. If society can find a method by which it can take from landowners this increment, he has no justification for grumbling." Later the Professor remarked that when

he said this, he was speaking about future ground rent; as if there was any difference! The audience following the series of lectures from first to last to get the important question cleared up, had doubtless only their wishes half satisfied in this respect by the Professor. Six lively and entertaining lectures were given in which they learned something of productive labour under the *present system* of society, but the *natural conditions* of productive labour were not made clear; on the contrary the audiences got the opinion that labour conditions in modern society were so complicated that even a man of science, not to speak of a layman, was unable to understand them.

It was clear that the Professor was afraid to oppose the present system. The work of the men of science was limited beforehand because of this, and every attempt made outside these boundaries had to be given up. But as long as scientific economists are building further on present ground without investigating if this ground can be used, as long as they are afraid to hurt private interests, as long as they do not dare to advise any changes in our present conditions if they are wrong, so long is science useless. The "education" of these scientists and their "conclusions" are misleading instead of instructive.

Is it not time for the people to ask that scientific investigation in this sphere shall make clear what is correct, irrespective of private interests or prejudices connected with the present system of society? It will rest with the people to determine whether they will realise the right order of things or not.

The annual meeting of the Henry George Society will be held on September 12th and 13th at Langeland.

Mr. S. Berthelsen, Mr. P. Larsen and Mr. Johan Hansson (Sweden) after attending the Free Trade Congress at Antwerp came to London for a few days. They made full use of their time, discussing the progress of the movement in Great Britain and in their own countries.

SWEDEN.

The Economic Freedom League in Sweden, which was started a little more than a year ago, is going to have a three days' conference in Stockholm, on the 16th, 17th and 18th September. The programme will be as follows:—

"Economic Freedom League and its Purpose." Lecturer, J. Hansson.

"Justice and Charity." Lecturer, Dr. Knut Kjelberg.

"The Land Question in Sweden." Lecturer, Carl Lindhagen, M.P. (Mayor of Stockholm).

"Henry George and the Land Question in Denmark." Lecturer, Mr. S. Berthelsen.

"Experience with Land Value Taxation and Land Nationalisation in Foreign Countries." Lecturer, J. Hansson.

"The Tariff Question."

(1) Tariffs and justice;

(2) The demand for full free trade under present conditions. Lecturer —

"The Taxation of Unearned Increment (future values) and Land Value Taxation." Lecturer, Nils av Ekenstam, LL.B.

"Smallholders and Land Values Reform." Lecturers, Peter Ellekjær, Gustav Johansson (leader of small farmers in Sweden), and Anders Larsson-Kilian.

Other questions will be taken if time permits.

Attendance at the meeting is expected also from Norway, Finland and Denmark. It will be the first large conference of the Association and much good is expected from it. Resolutions on several questions concerning our case will be put, and they are expected to be carried. People who are connected with social work as writers or speakers are specially invited to take part in the meeting.

GERMANY.

The Annual Conference of the German League of Land Reformers is to be held at Gotha on October 2nd—4th. During the three days of the meetings various aspects of the social problem and land reform will be discussed. British and American friends who can find time to attend will be welcomed.