

if I had to pay only the rent of the land on which it stands instead of the innumerable taxes which fall upon my building and on every article I purchase. By paying a site-value tax, I should be able to dwell in an atmosphere of friendly human co-operation, and should have no reason to fear the future. My property would offer me greater means of comfort and well-being and I should earn a much higher salary. Moreover, I would no longer see all round me the pitiful consequences of land monopoly.

In me, human reason combines with the altruism of a Don Quixote and the self-interest of a Sancho Panza in support of the tax on land values. It has often been said that in Man Heart and Head wage continuous warfare. Henry George's teachings have brought me peace of mind. For these reasons I consider singularly apt the words used

by Tolstoy when commenting on this doctrine: "To understand it is to accept it."

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FREE LAND—FREE TRADE—SOUND MONEY

How to Cure Canada's Ills

A RADICAL SPEECH IN THE SENATE

INTERNATIONAL
NOTES & NEWS

A PRESCRIPTION for his country's economic recovery and future health was offered in the Canadian Senate last month by the Hon. Arthur W. Roebuck. What Canada needs—and, of course, the same is true of every country for economic laws know no frontiers—is land-value taxation, free trade, and a sound, honest currency.

Senator Roebuck explained the necessity for this triple policy in an extensive, closely reasoned speech during the June 10 debate on the Speech from the Throne.

Senator Roebuck said he heartily agreed with a proposal made earlier in the debate that Canada should join the Common Market of the European free trade area, that she should progressively remove the tariff barriers that obstruct her trade, and that while doing so, she should agree not to increase her tariffs. "But I should like to add some qualifications. While free trade, in my judgment, would undoubtedly increase our productive power—I am all for it—and would, I believe, have a tendency to cheapen goods, still I would submit that the effect of an abolition of protective tariffs would be quite similar, in principle at least, to the introduction of labour-saving devices and organisation. The introduction of labour-saving devices of various kinds has not, however, solved the unemployment problem, nor has it met the difficulty of the rising cost of living. I admit that the problem is baffling, and one is rather saddened by the hazy half-truths in this connection one constantly encounters from both platform and press."

The greatest part of his speech Senator Roebuck devoted to considering the effects of inflation and the need for a sound, honest currency. Concluding his remarks on those matters he commented, "It is most important to bear in mind continually that rising prices are a corollary of falling money, and that money is the responsibility of govern-

ment. It is of no use for the Government to bluff that it cannot handle this question; the value of money is entirely within its control."

Then he turned to the land question. "It is equally important, if we rule out a shot in the arm in our economy as the method of getting out of a depression—and I think, and hope, that we all do so—to bear in mind that the basic cause of our present depression—or recession, if you want me to be polite—is the skyrocketing of land values and cruelly exorbitant rents. This is a general condition prevailing from coast to coast, and which is figured in tremendous sums of money. This land value movement has taken a long time to develop, but it has steadily and relentlessly progressed until to-day a slight check in our economy makes it almost impossible for business to bear the burden. We are experiencing that stalemate in Canada at the present time. Further, we should bear in mind that the true remedy for such a condition is a generous measure of land-value taxation, rather than monkeying with this buzz-saw of inflation.

"There is something rather remarkable about the present depression in that falling money—and we have had that, as honourable senators know—has not yet enabled business to absorb unemployment. The honourable senator from Shelburn told us that prices have advanced to 3.4 points in the year ended March 31 last; and the honourable the junior senator from Winnipeg (Hon. Mr. Wall) gave us some startling percentages of the increase in prices, which, of course, means a decrease in money values. But evidently money has not yet fallen sufficiently to offset the stalling effect upon business of inflated land values and excessive rents. The individual suffering of the unemployed has been softened in this particular depression by the social legislation of the former Government, and the

disasters of bankruptcies and forced re-organisation have not yet reduced the cost of business to a point where enterprise can again restore full employment.

"That, in my opinion, is where we are at the moment. The lowering of tariffs would help, I think, in promoting business activity, by permitting producers to buy in the cheapest and sell in the dearest markets; but one can expect very little help in that regard from the protectionist Conservative Government now in office, and the Government's spending spree is rapidly gathering momentum; the public debt is rapidly increasing. These things are highly inflationary. I submit that the honourable senator from Shelburn was absolutely right when he stated his expectation of further increases in the cost of living.

"Honourable senators, a very serious situation is facing Canada, and no doubt each one of you has in mind to say, 'What are you going to do about it?' Well, I have some suggestions. First, I think we should establish an honest dollar in Canada, a dollar with the least possible fluctuation in purchasing power, and that we should accomplish that by restoring the gold standard. Secondly, I think that we should seek to reduce the intolerable burden of excessive land values and cruelly high rents by a liberal measure of land-value taxation; that, of course, may be done either by municipal or provincial governments or the dominion government; I know of no reason why it should not be done by the dominion government. Thirdly, we should increase our international trade by every means possible, including reductions or abolitions of tariffs and other obstructions, trade quotas, and all restrictions of that kind."

DANISH L.V.T. GOVERNMENT IS ONE YEAR OLD

BRINGING good tidings from Denmark, Dr. Viggo Starcke paid a flying visit to our offices on June 19. Dr. Starcke is Minister without Portfolio in the Danish Coalition Government and leader of the nine members of the Henry George Justice Party (Retsforbund) in the 179-member Parliament. Comprised of 9 Social Democrats, 4 Radical Liberals and 3 Justice Party men, the government has recently completed its first year in office. In this brief period it has (1) halted inflation, (2) caused the price of land to fall (in anticipation of the new land-value tax law) and (3) reduced certain obstacles to Denmark's international trade. The Government is not a free trade administration although, of course, Dr. Starcke and his party are wholehearted free traders. Extremely fit looking and as quietly unassuming as ever, Dr. Starcke said that co-operation between the three parties in the coalition had been much easier than he had anticipated. His party, and he in particular, have been under constant heavy attack from the two opposition parties. This Dr. Starcke takes as an unintended compliment to the Justice Party's anti-sectional-privilege policy. These attacks seem now to be waning, and there are various signs that popular support for the government is increasing.

MONTANA—LAND VALUES BILL IN PREPARATION

THE June issue of the *Henry George Herald* (organ of the H.G. School in Los Angeles) reports that Mr. Russell Conklin, a member of the Montana State Legislature and former Mayor of Great Falls, Montana, has stated his intention of introducing a Bill into the Legislature similar to the one recently submitted in California by Assemblyman Vernon Kilpatrick. (A note on the Californian Bill was published in May L&L). The *Herald* reporter writes: "This Bill would gradually decrease the rate of taxation on improvements and personal property until it is half the rate of taxes on land. Mr. Conklin, the director of the Henry George School in Montana, expects determined opposition to his Bill from the Anaconda Copper Company, which has tremendous influence in the Montana Legislature. Mr. Conklin's action, incidentally, was inspired by reading of Vernon Kilpatrick's Bill in the *Henry George Herald*."

CALIFORNIA—STATE WATER FOR WHOM?

THERE are fears in California that general tax funds spent on state water developments might, in fact, be used to improve the arid holdings of a handful of large landed interests. Accordingly the California Water and Power Users' Association and the California State Grange have proposed a state constitutional amendment which would limit the amount of water a landholder may use to farms of not more than 160 acres.

This proposal was discussed by Harlan Trott in his "Intimate Message" feature in the *Christian Science Monitor* recently. Mr. Trott pointed out that the same safeguard as that now proposed already exists in the U.S. Reclamation Act. It is known as the 160-acre law. "One reason large landholders are said to prefer state rather than federal financing of the California water plan is that the state does not have any statutory restrictions similar to the federal 160-acre water-use limitation."

The amendment, if it goes through, "would prevent large landholders from pocketing the unearned increment in land values resulting from state water projects. These interests are not inconsiderable in California. The Kern County Land Company alone owns some 231,000 acres. Supplying these with water would boost the value to \$10,000 or more per acre. The small farmers, spear-headed by the state Grange, think that it would be unjust to tax citizens of California to provide such a speculative windfall for large landholders. Much of the land that lies in the projected path of California's state water plan is concentrated in a few relatively large holdings. The Southern Pacific Railroad and its subsidiaries came by 50,000 acres largely through early federal grants . . . All told there are a score of individuals who hold land in excess of 10,000 acres in the state water project's direct line of march."