

The only just and effective method of providing for closer settlement would be the uniform taxation of all land values. This would reduce land prices and rents, and tend to force all land into its best use. The higher the tax, the greater would be the effect. The revenue derived would enable us to abolish other taxes, and thus the burdens of the workers would be relieved at both ends.

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In December, the city of Sydney was put on practically the same footing, as regards taxing power, as the other municipalities in New South Wales. The Council is compelled to levy a tax of one penny in the pound upon the unimproved capital value of all the land in its area. The rest of the revenue required must be raised by the taxation of either the improved or unimproved value (or both) at the option of the Council, subject to the decision of a referendum of the taxpayers, if demanded. A limit is placed upon the total amount of money which the Council may raise by taxation, but this is so high that, as in the other municipalities, the power of taxation is practically unlimited.

The State land value tax of one penny in the pound on the unimproved value of the land, with exemptions, will now be suspended in Sydney, as it is in all other areas under local government.

ERNEST BRAY.

NEWS NARRATIVE

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.

Week ending Tuesday, February 23, 1909.

Land Value Taxation in Great Britain.

Two important conferences on land value taxation (vol. xi, p. 922; xii, pp. 18, 27, 86, 99, 128, 146), have been recently held in Great Britain—one in South Wales and the other in London.

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The South Wales conference met on the 5th in Cory Hall at Cardiff in the morning and afternoon and at Park Hall in the evening. It was held under the auspices of the United Committee for the Taxation of Land Values, and was called to order in behalf of this committee by H. G. C. Allgood. Over 200 delegates from public bodies and political and trade and labor organizations in Wales were in attendance at the morning session and more at the afternoon session. The evening meeting was largely attended also by the general public. Among the letters of regret were those of Llewelyn Williams, M. P., Sidney Robinson, M. P., Donald Maclean, M. P., and Sir D. Brynmor

Jones, K. C., M. P., all of whom expressed themselves as favorable to the taxation of land values. There was one also from Lord St. David's, who wrote: "I am strongly in favor of the taxation of land values, and hope it will be introduced as part of the coming budget." P. W. Raffan, of the Monmouthshire County Council, presided, making a strong speech in favor of inserting in the budget a clause for the taxation of land values. He was supported with speeches by Edward McHugh, the Rev. Principal Edwards, D. D., of Cardiff, and W. Brace, M. P. The following resolutions were unanimously adopted by the conference and endorsed by the public meeting in the evening, at which Sir Alfred Thomas, M. P., presided:

That this national convention of delegates from the public bodies, political and trade and labor organizations of Wales and Monmouthshire is of opinion that the demand for the taxation of land values is fair, just and equitable, because, while the burdens of rates and taxes have been accumulating upon every other section of the community, the ground landlords have not only escaped contributing a fair share from their unearned increment, but they have constantly received enhanced rent rolls from the improvements brought about by the expenditure from Imperial and local taxation; that, the overwhelming influence of landlordism in one branch of the legislature has enabled them as a class to secure undue protection for private interests which are against the public good; that this undesirable state of affairs is emphasized by the fact that while a reliable valuation survey of the land of the United Kingdom has never at any time been completed, the House of Lords has recently recorded its determination to act as an obstacle to all inquiry by refusing to pass the Scottish land valuation bill; this convention therefore declares that the time has arrived when in justice to the majority of the inhabitants of these islands a tax should be placed upon land values, and the machinery of the exchequer used to discover and record for the public benefit the value of this great national asset.

That the taxation of land values would force into the market—and thus provide a great amount of employment—much land which is at present lying idle, being kept so by the holders either for pleasure or speculative purposes; that concurrent with, and consequent upon, the tying up of land into large idle estates, there have grown up in the towns great slum areas which have given urgency to the housing of the working classes question, and the forcing of more land into use would go far to solve that problem; that in rural districts more available land would make the calling of the farmer more remunerative, and would tend to keep upon the land that large agricultural class which is fast dwindling through drift to the towns, and is by competition in urban centers making harder the lot of the laboring classes; how much the productive qualities of the land have been running to waste has recently been shown by the report of the Commission upon Afforestation; it therefore becomes the duty of the Government to take every step to force useful but idle land into use, and the taxation of land values appears to be one means to that end.

That the continued growth of national and local expenditure for Imperial safety, social reforms, and

local comfort and improvement, has made an increase of revenue a necessity; that, to put the further burden of new taxation upon the tradespeople, the middle and working classes would be unfair, those sections of the community having reached the limit of wise taxation, their relief from these burdens is very necessary; that the ground landlords being in possession of what theoretically belongs to the State, and having in the course of time failed to carry out obligations which were originally attached to the land, should now be called upon by the Government to contribute a full and fair quota to Imperial and local taxation; that copies of this and foregoing resolutions, signed by the chairman and convener, be sent to the Prime Minister, the Chancellor of the Exchequer, and the members of Parliament for Wales and Monmouthshire; that a representative committee be formed to keep in touch and act in conjunction with the United Committee for the Taxation of Land Values (London) to report from time to time to the public bodies and organizations represented in this convention; and that a deputation be sent to the Chancellor of the Exchequer from this convention to represent its views.

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The London conference on the same subject, composed of delegates from all parts of the country representing 455 Liberal, Labor, Independent and Co-operative associations, trade councils and local voting bodies, was held under the same auspices at Caxton Hall, Westminster, on the 8th. Josiah C. Wedgewood, M. P., of the famous Wedgewood potteries, and president of the English League for the Taxation of Land Values, was chairman, and Crompton Llewelyn Davies and John Paul, the secretaries. The following resolution, moved by E. G. Hemmerde, K. C., M. P., was adopted: "That this conference urges the government to make a substantial beginning with the taxation of land values in the budget of this year." Another resolution, moved by Montague Fordham, and supported by Sir Edmund Verney, was as follows:

That this conference, having regard to the enhancement of land values at present taking place in rural districts, and the consequent difficulty of obtaining land, insists that the Government should include the rural land in any scheme of land value taxation, and thus facilitate the administration of the Small Holdings Act, and the provision of cottages for rural housing.

In opening the proceedings, Mr. Wedgewood had paid a tribute to the work of the Labor party, which is supporting land value taxation. In explanation of the object of the conference, he said, as reported in the London Chronicle of the 9th:

We shall be quite content if the revenue got from this tax is used to reduce other taxes on property. One such is Schedule A of the income tax. Again, the rates are the heaviest burden on property and industry, and these might be relieved of the upkeep of highways and of the support of aged paupers, who should be pensioners. The effect of this change

in the basis of the taxation of property would be to reduce the taxation of those owners who have fully improved their land; they would gain through the remission of taxes more than they paid in land valuation tax, and further improvements would be encouraged through the remission of the present high rates. Only those owners would be paying more whose land is idle or not fully developed, and they would be induced to call in labor and develop their land. The conference has two main objects in view:—

(1) There is a large amount of land unused—land from which labor is warned off. There is an artificial shortage of that land on which alone people can live, on which and with which alone people can work. By this "dead rent" tax we break down this artificial shortage and stop the monopoly owner creating unemployment.

(2) As the proposed tax of 1d. in the pound on the capital value of land is equal to 2s. in the pound annual value, we, by this tax, and without injuring owners as a whole, nationalize one-tenth of that land monopoly, which from its power of soaking up and appropriating to itself all increase in wealth production, has the power, the tremendous and deadly power, of exploiting all those who work.

In conclusion, Mr. Wedgewood pointed out that by this tax on land values local authorities would get—and only in this way could get—a complete land valuation, which should serve as the basis for municipal rating and the purchase of land.

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It is significant in connection with the conferences described above, that at the national conference of the Labor party, held at Portsmouth, January 27th last, J. Ramsay MacDonald, M. P., moved and the conference adopted a resolution urging among other things that in the next budget the Chancellor of the Exchequer make a substantial beginning with the taxation of land values.

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In a manifesto issued by the United Committee for the Taxation of Land Values, the following significant quotations on the subject are made:

"Finance is an instrument of great potency and also of great flexibility, and it might be found to be, in some directions at any rate, a partial solvent of what under our existing constitutional conditions, might otherwise be insoluble problems."—Mr. Asquith, Prime Minister, at the National Liberal Club, December 11th, 1908.

"I mean to raise the taxes in a way that will not interfere with any productive industry in this country. . . . Do not let us have false remedies. We want to do something to bring the land within the grasp of the people. The resources of the land are frozen by the old Feudal system. I am looking forward to the springtime, when the thaw will set in, and when the people and the children of the people shall enter into the inheritance that has been given them from on high."—Mr. Lloyd George, chancellor of the Exchequer, at Liverpool December 21st, 1908.

"There is no doubt that land values in this country would be a very profitable source of taxation. It is not only a fair source, but one which by its nature

recommends itself as being a source from which revenue should be derived."—Sir Edward Grey, Foreign Minister, at Oxford, February 25th, 1899.

"I regard the land values bill as a more important measure than the small holdings bill."—The Earl of Crewe, Secretary for the Colonies, at Rothesay, October 11th, 1907.

"There is one method by which we can get even with the peers next session, namely, by reverting to the rule in pre-Cromwellian days, and placing taxes not on the value of land in 1692, but on the present-day value. Why not bring these taxes up to date? I make that suggestion to the Chancellor of the Exchequer for his consideration during the next few months."—Mr. Keir Hardie, at Barry, December 12th, 1908.

"There seems no longer to be any room for doubt that it is the intention of the Government to include some provision for the special taxation of land values in their next budget."—The Estates Gazette, December 19th, 1908.

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The manifesto which makes the foregoing quotations gives this consideration to the subject in its relation especially to restricted employment:

In view of the problem of unemployment, what relief can we look for from the budget tax on land values? We can look for an extension of freedom, freedom to produce as well as to exchange, an elimination of those conditions which at present restrict the opportunities to work and close the avenues to wealth, enrich the few at the expense of the many, and cause injustice and obstruction in the industrial system. Chief among those restrictive conditions are, first, the power of those who control the sources of livelihood to say on what terms those sources may be utilized, and that they shall not be utilized at all except upon impossible terms; and, secondly, the burden of rates and taxes upon the processes and products of industry, which hamper and kill those processes, and make those products scantier and dearer.

It is true that the taxation of land values would divert such values from those who have not earned them to the community whose collective energy and enterprise have earned them, and thereby destroy the power of the few to impoverish the many by exacting a tribute without rendering value or service in return. But the chief argument in its favor is that, by opening up fresh opportunities for the profitable expenditure of labor and capital, it would tend to bring fresh chances to all of earning their livelihood.

The right to work, and to enjoy the fair and full fruits of work, is the demand which is becoming more and more insistent. The central problem of politics is how to absorb into the body of workers that residuum of unemployed who, earning nothing themselves and always ready to step into the shoes of those who are earning anything, tend continually to bring the rate of wages down to the subsistence level. The widening of the whole field of employment—a larger scope for the application of labor to land in a natural and remunerative way—is the only solution of the problem. The taxation of land values is the first step on the sure and scientific road leading to that solution.

Land valuation will indicate the national sources of

wealth and avenues of employment which are at present neglected, or deliberately closed; and the taxation of land values will be the effective means of securing that those sources shall be utilized, and those avenues opened. By the taxation of land values, the land will be made "less of a pleasure-ground for the rich, and more of a treasure-house for the nation."

If Mr. Balfour and the lords capitulate and allow the Chancellor of the Exchequer's proposals to become law, the first battle of the coming struggle will have been won triumphantly. If they carry insolence so far as to mutilate or kill the budget, the fight will be concentrated on this fundamental issue between democracy, progress and economic justice on the one hand, and privilege, reaction, and monopoly on the other, and the fight will have to be fought to a finish.

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Radical Taxation Reform in Rhode Island.

Astonishing advances in general sentiment regarding taxation methods are reported from Rhode Island, where the Rhode Island Tax Reform Association (vol. xi, p. 685), has been at work for several years and with especial activity for some months. The movement appears to have derived a vigorous impulse from the notable effects of experiments in temporarily exempting industrial enterprises. These exemptions, which have proved highly beneficial, are about expiring; and consequently both from the enterprises that have been encouraged by them and from those that have been incidentally discriminated against, there is reported a general demand for liberty to the thirty-eight municipalities of the State to adopt the Tax Reform Association's proposal for home rule in taxation. A bill for that purpose, now before the legislature, and under consideration by the judiciary committee, is advocated by many of the most respected business men of Rhode Island. The bill would amend the fiscal section of the general laws for municipalities as follows:

Section 1. Section 3 of Chapter 36 of the General Laws is hereby amended so as to read as follows:

"Sec. 3. They may raise by a tax on real or personal estate or on both, or on improvements or on land, or on both personal estate and land, such sums of money as shall be necessary to pay town debts, or to defray the charges and expenses of the town hereinafter set forth; and may include the town's proportion of any State tax which may be assessed, in the assessment of the town tax and pay the same out of the town treasury; provided, the same be voted at a legal meeting of the electors of the town."

Sec. 2. When any town or city shall exempt any class of property from taxation, as provided in the preceding section, said town or city may assess its ratable property in excess of one and one-half per centum of its ratable value.

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State Railroads for Oregon.

In support of the movement in Oregon for construction of State railroads (p. 176), the Portland Chamber of Commerce has come forward with