

NEWS—FOREIGN

Bulgaria

BULGARIA is essentially an agricultural country. Forty years ago when she began as a free State the more equal distribution of the soil may be traced to the fact that the population was much smaller, and the community possessed land to which the industries might obtain access. Community land was not scarce at the time. The Turkish common law provided for large areas of inalienable community land and so opportunities for work were plentiful to those who desired it. Since Bulgaria had been administered under this law for several centuries, it strongly influenced new legislation. The small holdings were many and flourishing and the land question had not become acute.

As time went on conditions changed. Prosperity increased, towns were growing, public improvements grew, and as a matter of course, land values were constantly mounting. Public revenues were raised in the usual unwise and harmful way, while community-created values were allowed to go into private pockets. Community land now began to be looked upon merely as profitable real estate that might be sold upon occasion for the purpose of bringing in revenue. A tendency profitable to landlordism set in and conditions grew that militated against small holdings, though there are still a large number of peasants that possess their own lands. I think I may venture the prophesy that within a short period the nation will witness the failure of the small holdings system which we are still so proud of. That it is rapidly tending to failure is proved by the fact that the government is recurring to a plan of reforming the standard of land owning. What is aimed at is a more equal redistribution of land.

Nevertheless, the present land reform in Bulgaria is not a trifling one. It is a measure of some scope, and starts from a point worth consideration by the readers of the REVIEW. I wish to expound to your readers the new Labor Property Act whose advent was hailed by no less an authority on land reform than Adolph Damaschke. I will try to point out the fallacy and probability of ultimate failure of such attempts to bring about a sound and thorough land reform.

The Agrarian Party which holds at present the real political power in the country, saw the predicament in which the agricultural masses were placed and tried to find a way out. They were induced to do so because practically all their support is derived from the small farmers that are threatened by approaching land monopolization. While the agrarian statesmen were anxious to prevent the total failure of the cherished system they could conceive of no far reaching measure of reform, and confined themselves to a palliative that at best would only be temporary.

The fundamental principle announced in this act is in accordance with Single Tax beliefs. It is expressed as follows: Nobody is entitled to possess more land than he

has need of to develop his working powers and those of the members of his family. In exceptional cases he may be assisted by others as well. Further it is stated that the scope of private ownership cannot exceed 5 acres in case the proprietor is cultivating the land himself, or together with his family. Thus a small amount of landlordism is provided for. The property of such persons as do not cultivate their land is limited to 10 acres if the proprietor is alone, and to 25 in case he has a family. In order to carry out these provisions the State is empowered to acquire all land that does not fall in the categories mentioned above and then proceed to distribute it among the landless. Of course, an indemnification of the landlords is embodied in the measure. Accordingly the whole Land Reform may be reduced to compulsory sales on the part of the latter and a rather fair offer of land to those who have hitherto been divorced from it. The indemnification is fixed at the average prices of land between 1905 and 1915. Owing to the depreciation of the currency the present price is much above that average. Now if we take into consideration the conditions of modern life now prevailing in Bulgaria, and along with this the fact that her population is constantly increasing, it is seen that another redistribution of land would be required within a few decades.

That the principle stated at the outset could have been thoroughly realized by an application of the taxation of land values did not occur to our Agrarian statesmen. They have failed to see that if they started to confiscate rent, the dismal phenomena of landlordism would soon disappear, and there would be no possibility of its emerging again.

Moreover, the present land reform does not apply to land in and near the towns, ports, highways, mines, etc. Thus the reform of our land system, while announcing at the outset principles to which we subscribe, falls short in scope and duration of providing any adequate remedy. Hence the slogan of the Georgists in this country—Single Tax versus Land Reform!

Plovdiv, Bulgaria.

BOYAN BOTUSHAROFF

Brazil

SUBSTANTIAL progress toward Single Tax legislation is reported to us from the State of Sao Paulo. Dr. Washington Luis, President of the State, who has long manifested his leaning toward the Georgist philosophy, decided early this year to consult with an expert on property valuation. Accordingly, Dr. Garcia Martinez, who had carried out the valuation of the City of Montevideo, was invited to come to Sao Paulo to discuss the organization of the same service there. A Bill establishing the tax on land values, apart from improvements, will be presented to the State Legislature at the opening of the sessions in July. In the event of the Bill becoming Law, it is understood that, first of all, the export taxes and the taxes on sales of real estate will immediately be suppressed.

The Agricultural Society of Sao Paulo has been a strong

advocate of the proposed change. Considerable opposition however, has developed amongst those who manipulate both urban and rural land for speculative purposes purely.

Taxation of Land Values in Great Britain—Work of the United Committee

THE United Committee for the Taxation of Land Values, London, the headquarters of the British Single Tax movement, have issued the following statement in the form of a letter to business men. This document may command the interest of readers of the SINGLE TAX REVIEW more or less attached to the British movement. It is in the following terms:

During the agitation that led to the passing of the Finance (1909-10) Act, 1910, a large number of business firms in Great Britain, including manufacturers, merchants, farmers, and members of various professions were associated as signatories in a widely circulated manifesto, affirming the importance of those clauses in the bill that provided for a complete valuation of the true market value of the land, exclusive of buildings and other improvements.

It was owing to this promised valuation that the budget of 1909 was received with popular acclamation, and business men realized how it offered them a new measure of freedom and of relief from the growing burden of rates on business premises, factories, machinery, and houses. The government in 1914 pledged themselves to make use of the valuation when it was completed. They accepted the principle of the Rating of Land Values and declared that it was their intention to give effect to that reform.

The valuation was carried through with certain imperfections due to divisions in the courts rendering amending legislation necessary. But no legislation has been forthcoming, for reasons generally known and deplored.

If the policy of the Taxation of Land Values was urgently called for in 1909, there is ten times greater need for the reform as a means to reduce, if not get rid of, the enormous and intolerable burden of restrictive taxation that is thrown on industry, improvement, consumption and thrift.

We do not deny the imperative necessity to put a stop to wasteful expenditure. But much more than that is required. During the whole course of the war, and since, taxes have been piled on in the wrong direction. We have seen in the temporary boom after the Armistice, with its succeeding trade depression, how nothing will bring stable and prosperous conditions other than a change in the whole outlook on the subject of public revenues. Industry cannot flourish, and there can be no secure trade or employment until production has been set free from the oppression and injustice of bad taxation. There is an abundant source of beneficial public revenue in the community-made value that attaches to land apart from buildings and improvements.

As the manifesto referred to above declared:

"So far from inflicting any burden on enterprise or industry, a rate or tax on the value of land would afford them stimulus and encouragement. The production of raw materials and buildings requires the use of land in sufficient quantity and on fair terms. This is denied to it by our system of land tenure. Even a moderate rate or tax on the value of land, whether used or held idle, would incline owners to meet the offers of those who desire to develop it."

On these grounds, the policy of taxing land values and taking taxes off industry was commended to the business community by the signatories to the manifesto.

The breakdown of the machinery of the 1909 budget was due to circumstances entirely divorced from the valuation as such. The misnamed "Land Value" Duties that were levied at the time were ill-conceived, unworkable and mischievous. It is well that they have been removed from the statute book. What we stand for, and what we urged in 1909, is a plain straightforward tax on the value of all land.

THE UNITED COMMITTEE

The United Committee for the Taxation of Land Values is a central body representative of the various Leagues and Clubs for the Taxation of Land Values in the United Kingdom. *Land and Liberty*, the monthly journal of the movement, is edited and published at the United Committee offices.

During the past seven years the Committee and the Leagues, in addition to much other successful work, have sent speakers to over 5,000 meetings held under the auspices of such bodies, trade unions, co-operative guilds, political and economic organizations, etc.

The Committee has published during the last seven years over one million pamphlets and leaflets, which have been widely sold and distributed.

During 1919 the Committee carried on an extensive propaganda by means of short advertisements in the daily and weekly press.

LOCAL RATING

The Committee has been of service to members of local rating authorities in their recent renewed agitation for the local taxation of land values. More than forty of these public bodies have passed resolutions during the period under review in favor of this system.

The National Liberal Federation has recently put forward thoroughly practical proposals for taxing and rating land values. The question is being increasingly debated among trade unions and local labor parties, and the Labor Party has officially included the taxation of land values in its programme. The policy has been endorsed annually at the Trades Union Congress. Notwithstanding the efforts of the Land Union to organize hostile opinion, the Conservative Party is honeycombed with convinced, if not active supporters, of the taxation of land values.