

"It is to be hoped that the Portrush Urban Council and the other Urban Councils in Northern Ireland that are considering this question at the instance of the Portrush Council will prosecute their inquiries into the justice and expediency of the Taxation of Land Values."

A Baffling Point.—Speaking at Glasgow on 14th March, Mr. J. Wheatley, M.P., said:—

"His criticism of the Prime Minister had been that industry to-day was not carried on according to the tenets of the Sermon on the Mount. The whole question resolved itself into this: How were they going to reduce costs? What was in the minds of the other side? Was it that the workers must work for less, as wages were 80 per cent of the cost of products? They held out this alternative: instead of working for less actual wages their output for the same wage must be greater. But it baffled his comprehension to know, if they continued to increase their output while their wages remained stationary, who was to buy up the output?"

The question is: Why with increased output should wages remain stationary? Labour produces to consume, and any increase in productive power should figure out in higher wages, in greater comfort for the producing classes. The rent of land which some people confuse with the profits of industry fixes the wages of labour, and land monopoly narrows the field of employment. The man on the roadside or at the factory gate is the standing obstacle to a rise in wages, no matter what the efficiency or the production may be, and until his case is successfully dealt with, questions of "stationary" wages and output are not of any great importance.

"What is Your Alternative?"—Continuing his remarks, Mr. Wheatley affirmed that the workers were not likely to agree to a lower standard of living.

The Prime Minister might retort: "What is your alternative? He (the speaker) would point out that they had reached a stage in the evolution of industry when the actual wages paid to the workers and the profits taken were not the only charges on particular industries. Employers were not the greatest enemies which the workers had to face. A considerable amount of the wealth produced by industry was consumed by people who were neither employers nor workers."

The speaker will surely follow up this hint to the Prime Minister as to where the shoe pinches. It is a sign, not of the "evolution of industry," but of the evolution of the argument designed to expose the class "neither employers nor workers" who consume without producing and who stand in the way of new production and wages. But the Prime Minister, we imagine, if he has read Mr. Wheatley's speech is still asking "What is your alternative?" It is common knowledge nowadays that "employers are not the greatest enemies the worker had to face." Without much encouragement from his political mentors, the worker has reached that stage of evolution, and Mr. Wheatley's open confession of the fact is an indication of so much progress.

Mr. George G. Tideman, Chicago, has published in the form of an attractive pamphlet of sixteen pages, Chapter XIX. of Henry George's SOCIAL PROBLEMS, with other extracts from that book. The pamphlet is given the same title as Chapter XIX., THE FIRST GREAT REFORM, and is sold at 10 cents per copy, post paid, or \$5 for 100 copies. The publisher acknowledges permission to reprint given by Mrs. Anna George de Mille, the holder of the copyright.

THE WORK THAT LIES BEFORE US

(Contributed)

There is a great opportunity opening out before all sincere believers in the Taxation and Rating of Land Values. The Conservative Party with its huge majority will probably remain in power for another four years. Indeed, Mr. Garvin in THE OBSERVER of 15th March, expressed the opinion that if the Prime Minister continues as he has begun, he is likely to enjoy the sweets of office for ten years. Whether we have confidence in that political prophet or not, now is our time for study, for spade work, for a reorganization of our forces, and for threshing out in detail the principles upon which the next measure for the Taxation and Rating of Land Values shall be based.

The same conclusion may be reached from another point of view. At the present time Britain's position, as leader of the world in commerce, is in grave danger. In spite of all the efforts made by different Governments since the war, there have been no reliable signs of a definite return to the industrial activity of pre-war days, and production still groans under a burden of taxation far heavier than it has ever before carried in time of peace. Every income tax payer will tell you that he regards a substantial reduction of the 4s. 6d. in the £ he now pays as the first and most pressing necessity for business, and a condition precedent to the revival of manufacture and commerce. Now if a substantial reduction is to be made we know very well it cannot come from reduced expenditure. There is actually an increase in the Estimates of Expenditure for 1925-6. Some new source of revenue must be found; and we are the only people who suggest a substantial and satisfactory new basis for taxation. We can point to an immediate and practicable measure whereby income tax may be largely reduced without seriously curtailing the necessary expenditure on public services. The Taxation of Land Values therefore makes a powerful appeal to all income tax payers. Let us see to it that the great advantages of this policy are brought home to them.

The ratepayers are in like case so far as regards the oppression which results from the unprecedented high poundage at which local rates are being levied. Of the 1,147 urban areas in England and Wales, 903 were in 1923-4 still levying rates at 10s. in the £ or more, and out of these 903 there were 243 levying 15s. in the £ or over, including 31 areas in which the charge was 20s. in the £ or more. In one case it ran up to about 26s. in the £. These high poundages, however, are less important from the point of view of the ratepayer than the unfair basis upon which rates are at present assessed. A man with a large family has his responsibilities taken into account in connection with his payment of income tax, for he receives an abatement in respect of each child below the wage-earning age. But in respect of the rates on his house the larger his family the heavier is the rate-burden laid upon him, for his liability to rates is measured by his needs rather than by his ability to pay, which even our opponents contend is the proper basis. In this respect the ratepayer stands in more immediate need of relief than the payer of income tax.

Moreover, in the ratepayer's case the method of relief is even more obvious than in that of income tax. Land value enters into and forms part of rateable value, and on this ground we are always being told that land values are already assessed to local rates. But no land or building is liable for rates unless it is actually occupied and put to some use. Thus a plot worth £1,000, if unused, pays nothing. If a tool-shed is set up on a corner of it, and used as a tool-shed, the rating assessment is only two or three pounds. And no matter how valuable a building may be, it is exempt from all rates so long as it remains empty. The rating law acts

in every case as a deterrent to the use of land and buildings. The man of enterprise, before he can use land and buildings, must pay heavy tolls—first to the owner and secondly to the rate collector. And yet people wonder why trade is slack, why ironworks are idle and why our British contractors are underbid by those of other countries when a big job is put up to tender. Rates are heavy enough in all conscience: but that is a minor grievance in comparison with the method and basis employed in levying them. How can Governments expect trade and manufacture to revive when rates are charged in such a manner as to punish the enterprising man of business, and to allow the idler, and the man who actually prevents land from being used, to escape all contribution to local rates? When it is remembered that the proceeds of the rates are expended in public services, most of which have the effect of maintaining and increasing the value of the empty, unused and unrated property, it becomes a question whether the folly or the injustice of those who permit such a system to continue is the greater.

It is a marvel how successive Governments, with all these facts available to them, have failed—or refused—to see the vital importance of these considerations to the question of Housing. Complaint is made that the Rent Restriction Acts deter builders from building houses; and that is true. But even that hindrance is a small one compared to the rate collector who, immediately a new house is occupied, levies a fine of 10s., 15s., or 20s. in the £ upon it. When properly explained to him, every householder will be in favour of levying rates on the value of all land, whether used or not.

Take again the case of the builder. The Rating of Land Values would bring all the ripening building land into the market, and its owners would be competing for customers. Builders, far from having to go, cap in hand, to the landowner, will be able to obtain sites for houses and buildings of all kinds at very much lower prices than those ruling to-day. A transfer of even a portion of the rates from rateable value to unimproved value land would enable builders more easily to obtain an adequate return on their outlay in building. Builders, therefore, should be easy converts.

What applies to houses obviously applies equally to all buildings. Rates are just as much a burden upon industry, manufactures, trade and commerce as upon houses. Cheaper land and lower rates would prove to be the chance which would enable us to resume not only our building activities, but also our industrial and commercial activities of all kinds, and to carry them to an even greater height of prosperity than before the war. For in pre-war days, the user of land was punished in the same way as he is punished to-day—though not to the same extent. Every business man ought to support the rating of land values.

Another equally important result of the transfer of even part of the rate and tax burden to land value would be the solution of the unemployment difficulty. The impetus given to house building and building of all kinds, to industry and manufactures, and to the distributing trades, would enlarge the area of employment to an extent quite equal to absorb the million and a quarter workers now in receipt of the "dole."

How can we expect to banish the spectre of unemployment while we maintain a system of rating that encourages owners to keep land out of use? Land is the sole source of the raw material on which labour has to work. Restrict the supply of raw material by shutting off land from labour, and unemployment must result, as surely as starvation follows the absence of food. Bring land into the market by taxing it according to its value, and opportunities for labour will be multiplied indefinitely. Every man and woman suffer-

ing from the fear or the actuality of unemployment should be a convinced supporter of land value rating. And it is our business, before the next General Election, to make them so.

Is exemption from rates and taxes always to be the reward of those who hinder progress? No greater stimulus to energy and enterprise could have been given to mankind than the Divine injunction to subdue and replenish the earth. It is a task, which wisely fulfilled, invariably brings its own reward.

With such a gospel to preach, and a whole nation suffering grievously from a bad system of taxation to instruct in the causes of such suffering and of the remedy that lies to their hands, nothing should hinder us from scoring a great victory at the next General Election.

A "ROMANTIC ENTERPRISE."

The railway companies are paying £8,000,000 a year for local rates, or nearly double the sum paid in the days before the war. Daily papers (March). How much more they have paid for land is not stated, but the Press can reveal at times how recent railway development has enriched some land speculators. Sir Alfred Mond, M.P., on his return from a tour of the Holy Land, has made some striking revelations concerning the remarkable prosperity of the new Palestine.

His story of the mushroom growth of Tel-a-Viv, near Jaffa, where a modern industrial city, employing only electricity and oil for power purposes, has sprung up in a few years, is an astonishing example of the romantic enterprise of the Jews.

In 1909 it was a stretch of barren sands by the sea. Now it is a city of 25,000 people, with 138 factories, unsullied by a single smoke-stack. Half the industries have been established within the last year. *Improving land values have brought wealth to the handful of men who founded the city.*—WESTMINSTER GAZETTE, 12th March.

The heavy burden of the rates in Sheffield as it affects the steel industries is emphasized in a special article in the DAILY NEWS of 18th March, contributed by its Labour Correspondent. A firm is mentioned which has modernised its plant and put down two rolling mills, one for wire and one for strips, which can hardly be matched in the world. But the huge capital outlay on the plant, combined with a heavy call for local rates, pile up standing overhead charges which make it impossible to sell the product as cheaply as could be done if the maximum, or even a large proportion of maximum, output could be achieved. The finest works are most heavily hit. The poor rate levied does not actually meet the expenditure, and last year, in order to prevent the rates burden reaching an impossible limit, the Guardians had to borrow more than £200,000, merely to help to meet current expenditure and to provide for interest and sinking fund on the debt of £800,000 already accumulated.

* * *

A tiny spot of derelict land lying in the heart of the City of London, only 40 ft. by 25 ft. in extent, which is shut in by high walls, and to which the public has never had access, yet is worth £45 a square yard. This piquant description was given by the Bishop of London yesterday, in supporting the Second Reading of a Bill in the House of Lords, to authorize the erection of buildings on the disused burial ground, which is the last vestige of the ancient church of St. Mildred, Poultry. The Bishop explained that this "perfectly useless piece of land" was to be sold for £5,000, £2,000 of which would be used to clear off the debt on the beautiful church of St. Margaret, Lothbury, and £3,000 to keep it in repair.—DAILY HERALD, 13th March.