

Mervyn Stewart, of New Zealand, and received from him some excellent reports of the effect of the Taxation of land values in that country, reports which go to prove in actual practice the theory we stand for.

Another notable fact is that our own Government some time ago asked for information from New Zealand, New South Wales, and South Australia are the working method of taxation. The information duly came to hand and is now published in the form of a blue book. The contents are emphatically favorable and provide splendid evidence for use against those at home who proclaim the impracticability of the tax.

F. SKIRROW.

#### JOHN PAUL CABLES AMERICAN SINGLE TAXERS.

#### REPORT OF SPECIAL COMMITTEE ON SCOTTISH LAND BILL FAVORABLE TO THE PRINCIPLE.

On December 14th the REVIEW received word from Hon. Tom. L. Johnson, announcing the receipt of a cablegram from John Paul, which runs as follows; "Select committee report most favorable. Great triumph. Spread the news."

The report to which this cablegram refers is that of the parliamentary committee on land values taxation in Scotland. First advices regarding this report were that it was unfavorable, but it now appears that it is distinctly favorable, so far as affects the principle of the bill, but that the objections are solely to the form of the measure.

As appears from an editorial in the Edinburgh (Scotland) *Evening News* of December 14th, the committee express the view that the new rating by which land value is estimated apart from improvements is entirely practicable and will prove advantageous. But they nevertheless take exception to the bill in several minor particulars—e. g. that in making valuations no regard is had to restrictions on the land, which seldom benefit the owner as owner and sometimes even diminish the selling value. The committee also believe that a measure should be introduced making provision for a valuation of land in both burghs and counties in Scotland apart from the improvements, and that no assessment be determined until that valuation is known. From the conclusions as affecting the principle of the bill, a minority report dissents in favor of the immunity of the landlords from taxation.

In this connection we may mention the "Precis of Evidence," by James Fairlie, received last month. Mr. Fairlie is a prominent manufacturer, an ex-magistrate, and ex-Treasurer of the burgh of Falkirk, Scotland. He is also a good Single Taxer, and this abstract of the evidence furnished the special committee on the Scottish Land Bill borrows many of its telling illustrations from

the locality with which Mr. Fairlie is most familiar.

#### REPORT TO PARLIAMENT FROM AUSTRALASIA.

#### OFFICIAL COMMUNICATIONS FROM NEW ZEALAND, NEW SOUTH WALES, AND SOUTH AUSTRALIA SHOW THE PROGRESS WE ARE MAKING.

An important British government paper lies before us in the answers to an inquiry addressed by the home government to the taxing authorities of its Australasian colonies. This inquiry was worded as follows: "Please send home as soon as possible any reports or other information available as to the working of taxation on unimproved land, both for municipal and state purposes. Information especially desired as to the effects of land value taxation on building trade, on rent, on incidence of taxation, on house property and vacant sites, respectively, and on land speculation."

The answers were eminently satisfactory to the friends of the new measures now pending in Great Britain. From New South Wales the report says: "The early difficulties have gradually disappeared, and the tax is now thoroughly grafted on the state system of revenue, being well understood by the public, and working with little or no friction."

"The effect on the building trade has been beneficial."

"In regard to land speculation, the tax must have a deterrent effect."

The Tax Commissioner at Adelaide gives it as his opinion that as the tax is laid on land alone time would have been saved if the unimproved value alone would have been required, but it is necessary under the act to also separately assess the actual value (land and improvements), which, moreover, has to be stated in the Assessment Book and repeated in the notice."

The report from Sydney says: "In the city and suburbs there has been very little land speculation in view of the Land Tax. Buyers mostly secure properties with the definite idea of speedily building a home, and not, as heretofore, waiting for a rise in values."

From New Zealand the report of the Commissioner of Taxes says: In my opinion the exemption of all improvements in conjunction with the lands-for-settlement and advances-to-settlers policy of the government has to a large extent contributed to the solid prosperity of the colony.

"The tendency of this system of taxation is not to increase rent, but, on the contrary, as the tax becomes heavier it tends to bring into beneficial occupation land not put to its best use, and so reduces rent, the improvements being entirely free from all rates and taxes.

"The form of speculation in land unused

and held for prospective increment is rarely met with in recent years."

There is much else that is valuable in this important government paper which we wish we could quote from more in detail. But everywhere it bears evidence that the movement for which we are working is steadily nearing its triumph. This report will help our British comrades to show their constituencies that much of their theoretical argument is borne out in practice, the evidence coming now with the weight of government authority.

#### GERMANY.

PROGRESS IN THE EMPIRE—THE GERMAN LEAGUE MEETS AT DÜSSELDORF—THE MAYOR OF ULM MAKES A REPORT THAT AROUSES THE ENTHUSIASM OF THE CONFERENCE.

Since my last report the German League of Land Reformers has held its annual meeting at Düsseldorf, one of the industrial centres of the Rhine district. It was attended by delegates from all parts of Germany and proved a great success, visibly showing the progress our ideas are making throughout the empire. The interest public authorities are taking in our cause was manifested by a generous contribution of the municipality of Düsseldorf towards the expenses of the meeting, as well as by the fact, that the home secretary of the Imperial government sent a representative who welcomed the delegates and expressed his sympathy with our movement. One of the principal features of the congress was the paper read by the Mayor of Ulm, the important old town on the Danube.

Ulm owned a hundred years ago not less than 24,700 acres of common land, but gradually this was disposed of by the shortsightedness of the authorities, till almost twenty years ago another policy was incorporated, inspired by the enlightened man who now reported its results. Common lands that have been sold by the town in 1837 for \$17,000 were bought back some years ago for \$108,000, and even at this figure proved a splendid purchase. Further 1,180 acres were bought consecutively between 1891 and 1906, so that now three-fourths of the whole of the surrounding lands are owned by the community.

The advantages derived from this have been manifold. For one thing the town was enabled to erect workmen's dwellings at moderate expense when ever necessity arose. Important industrial establishments were induced to settle there by cheap offers of building sites, while they were driven away from other towns by speculators who held the grounds for higher rates. And by the well-observed law of ground rents these cheap grants of land meant no loss to the community, for the increase in value caused by these establishments of the surrounding

lands owned by the town, more than compensated for the loss sustained at starting this policy.

Furthermore, the absolute control by the town over its lands has tended to improve the outward appearance of the place. Where land may be bought and sold by private individuals without restriction, it necessarily follows, that a very mixed way of using it predominates. Factories, villas, artisans dwellings, empty sites, uncouth flats follow each other in a hideous mixture, and the common law offers no handle to impede this as everybody can do with his property just what he likes. However, where the land is held by the community, the leases are only granted under such conditions as may serve to safeguard the production of houses within certain limitations prescribed by aesthetical and practical considerations.

Special attention has been given to the encouragement of artisans' dwellings and to checking speculation or rack renting. This has been done by means of a contract, that the land given by the community for this purpose can be reappropriated at the original price whenever the purchasers fail to fulfil the stipulated conditions, *e. g.*, if they are in arrear with their payments for more than six months; if they or their heirs want to sell within 100 years; if they sub-let the houses for more than the highest rates allowed by contract; if they mortgage the property without consent of the authorities; if they don't inhabit the houses themselves; if they fail to contribute to the building fund; if they grossly neglect the property; or if they use the houses for other than dwelling purposes.

By this system speculative profits for private persons in ground values have been practically eliminated, the unearned increment reverting to the community each time such property is sold. The limit of 100 years means practically "for ever," as every house is bound to change hands at least once in that time, and every new contract is again made valid for another 100 years.

At an expense of 750 marks per head, *i. e.*, \$125, comfortable workmen's dwellings have thus been provided for and the Mayor invited anybody to come and see for themselves how clean and airy and spacious these dwellings are and how contented the people who live in them.

Naturally the fact that the community owns such large areas also reacts upon the value of the land still held by private persons. There is no inducement for them to speculate, as people who require a home can get a site at reasonable terms any time they like from the town, and the latter has every facility in creating public squares, playgrounds, parks, family gardens, etc., for the poorer classes at moderate rents.

The Mayor further stated that all such improvements, far from being a weight upon the budget, had materially improved