JOINT ENTERPRISE BY DUTCH LEAGUE AND INTERNATIONAL UNION

The Dutch League for Justice and Freedom and the International Union for Land-Value Taxation and Free Trade are jointly associated in the publication of the new pamphlet *Rechtwaardige Belastheffing* (Just Taxation) by Mr. J. J. Pot, expansion of the article he recently contributed to *Ons Erfdeel* (Our Heritage—Journal of the Dutch League) describing the beneficial operation of Land-Value Rating in Wellington, New Zealand. The article was reviewed in our issue of January last. The urge for its reproduction in pamphlet form came from the International Union, with recommendation that its convincing demonstration should reach a wider public and with offer, if financial help were needed, to share the costs of printing and circulation. That was given. The pamphlet (16 pages, quarto) embodies the pictures from Wellington, each with its "legend," showing how this or that typical property is affected under the rating of land values. Also illustrated, by way of practical example, is a section of the land-value maps of Copenhagen.

In his introduction the author ably explains the fundamental principle involved; the ethics of the argument, that public revenue should be derived from the economic rent of land in place of the taxation that is imposed to-day. The means thereto is to collect the *grondrecht*, the ground duty, as it is known in Holland, in contrast with what happens to-day, instances being given from cities like Amsterdam, showing how land values shoot up for the enrichment only of the private interest. Tracing the practical progress that has been made in applying the principles of land-value taxation—in Denmark, Australia, New Zealand and Canada—the author insists that the self-same principles are readily applicable in Holland. He concludes with a stirring call to his fellow countrymen to recognise the injustice of the present system. They should think for example of what happened with regard to the Delta Plan. The benefit was engrossed by the landowners on the spot, whose properties drained from the water and secured against the menace of future flooding rose enormously in value. The great cost of the embanking had to be met out of taxation levied on the whole people. The community paid; private interest reaped the gain.

Effective use has been made of the pamphlet by its postal distribution to all the members of the two Legislative Chambers, to 300 members of the Councils of the larger cities, to 150 editors of daily and weekly periodicals, to 60 leading members of the political parties, to 120 professors and teachers in universities and colleges, and to 120 students in the Economic High School in Rotterdam. The pamphlet is being further circulated. At the offices of the International Union it is a matter for gratification to have been helpfully engaged in this enterprise.

Copies of the pamphlet (enclose 6d. for postage) may be had on application to the International Union, 4 Great Smith Street, London, S.W.1.

LOCAL TAXATION IN SCOTLAND

The Government's Bill revolutionising the local rating system in Scotland—the Valuation and Rating (Scotland) Bill—passed its Second Reading in the House of Commons on December 15. Then it went to Committee, the proceedings there lasting, in twenty-two sittings, from February 23 to May 15. To push it through the Government made use of the machinery of the "time table" and the "guillotine," whereby discussion was frequently closed when the time-table clock struck. The Third Reading took place on June 27 and now the Bill goes to the House of Lords.

By this legislation Scotland is to have the English rating system inflicted upon it, which if anything is worse than the Scottish system was. The main feature of the Bill is to abolish the rates that were levied on the owners, so that in future the whole burden will fall upon the occupiers. The debates present many points for argument. Over and over again this stood out most clearly—that true reform lies not in abolishing the owners' rates but in abolishing the rates levied on houses and other buildings and improvements, placing them instead on the value of land whether used or not and requiring that all who participate in the land value, including the ground landowners called "superiors" in Scotland, contribute in proportion to their share therein. We hope to review the whole matter in our next issue.

Manufacturers' Testimony

During the war the International Research Committee on Real Estate Taxation invited representative members of every class of land user wherever the rating of land values is applied in Australia and New Zealand to express their views on that system so far as it affected them. This selection of hitherto unpublished replies, all from manufacturers in Wellington, N.Z., is typical. Each gives cogent reasons for levying local taxation exclusively on the value of land—the "unimproved value"—and exempting buildings and improvements.

"We have been asked as to what system of rating we prefer (*i.e.*, Capital or Unimproved). To our mind the answer is clear cut—*viz.*, Unimproved rating. Our section in the City of Wellington is at the corner of Argyle, Tennyson and Lorne Streets, and covers an area of approximately 16,000 sq. ft., on which is situated a five-storied building. The building, land and plant represents an investment of approximately £80,000. We consider that rating on the Capital value tends to retard progress."—Alistaire Scott, General Manager, Frozen Products, Ltd.

"Regarding the comparative effects of the system of rating on Unimproved Value in our district it shows to our advantage."—H. Douglas Guthrie, General Manager, The British Australian Lead Manufacturers (New Zealand), Ltd.

"The question of Unimproved rating was given consideration, in relation to other deciding factors, when summing up the relative merits of various sites in different parts of the Dominion. The relatively low values in the Miramar district was one of the deciding factors in finalising the actual location of site when considering the Wellington district as a whole. I think I may also state, that at the time, we were fully cognisant of the benefits that would eventually be derived under the Unimproved form of rating as against what would have been the case under other forms of local taxation."—W. Gregor Culpitt, Manager, New Zealand Electric Lamp Manufacturers, Ltd.

"Rating on the Capital system must create a considerable deterrent to those concerns who are prepared to put considerable capital into improving their plants . . . Rating on the Unimproved value provides an incentive to capital to improve their assets."—E. G. Stephens, General Manager, Turnbull & Jones, Ltd.

"We should regret exceedingly if we were rated on Capital value instead of on the Unimproved. It is hard to imagine ratepayers with large premises accepting such a load if it is within their power to change it."—A. E. Donne, General Manager, The Wellington Woollen Manufacturing Co., Ltd.