

"The common meadow land was divided up by lot, pegged out, and distributed among the owners of the strips; after the hay was carried, these meadows, like the arable fields, were used for pasture."

"The common or waste, which was used as a common pasture at all times of the year, consisted sometimes of woodland, sometimes of roadside strips, and sometimes of commons in the modern sense." (THE VILLAGE LABOURER, p. 28.)

It is not without interest at this moment to recall what happened during the period covered by the Napoleonic wars. From 1796 to 1815, while so many of the villagers were away fighting for their country, the landowners who remained at home obtained no less than 1,925 Enclosure Acts (see column 5 above), depriving the said villagers of all their rights in the soil, and thus reducing them to the position of landless paupers. Even Mr. R. E. Prothero, Agent to the Duke of Bedford, in his book, ENGLISH FARMING, PAST AND PRESENT, is constrained to admit that:

"The strongest argument against enclosures was the material and moral damage inflicted on the poor. The injury inflicted on the poor by the loss of their common or pasture, whether legally exercised or not, was indisputably great."

And the Right Hon. Jesse Collings, M.P., in LAND REFORM, speaks of "the principle of general confiscation on which they (the enclosures) were carried out."

To restore to the people their stolen rights in their original form is not now possible, but this we may do, adopting the principle of "social justice" which Mr. Churchill, in an eloquent passage in his speech at the London Opera House on September 11th last, told his audience is to be the basis of the new conditions to be ushered in at the close of this present war, we can provide that the value given to all the land by the presence, industry and expenditure of the whole people—the "communal value," as Mr. Asquith has well called it—shall be taken by taxation for the benefit of the whole people.

A PROTECTIONIST WAR

By J. A. Stevenson

(In the GRAIN GROWERS' GUIDE, Winnipeg, September 2nd.)

The progressive minds of Canada should not fail to direct the attention of the Canadian people to the fact that one of the primary causes of this war is the system of High Protection, which has been the mainspring of the German economic system since the year 1879. Prince Bismarck first introduced his Protective system for political purposes; he intended to use the tariff as a means of unifying the German empire. Its development as an economic weapon was a subsequent phase, when there arose in its train the usual crop of protected interests. At first they were infants of the breed we know so well; when they became old and strong they still needed sustenance at the expense of the life-blood of the community. It is true that many industries were developed and there was on the surface huge commercial prosperity, but in the main the average standard of the community was not raised. There was acute discontent which the government tried to avert by improvement of housing conditions and the institution of State insurance, but there remained widespread poverty and agitation and the condition of the mass of the German workers was far from enviable. In producing this it must be admitted that the agricultural interest, the landlords and squirearchy played an unhappy part. The Junkers, the aristocratic class, were the chief promoters and supporters of the heavy food taxes which were a constant burden on the German consumer. There was a marked divergency in this respect between their position and the avowed free trade views of Canadian agriculturists.

FREE TRADE THE REMEDY

The consumption of wheat in Germany has long exceeded the production and there is little possibility of an increase in the latter. Wheat had to be imported from Russia and elsewhere, and there arose a widespread demand among the working classes, which was backed up vigorously by the merchants, traders and financiers, that the food taxes should be removed, or at least sternly reduced. Economists and financiers alike declared that Germany had reached the same position as England in the forties when Peel's conversion to Free Trade took place through force of circumstances, and that further development as a manufacturing and industrial nation was impossible without cheaper supplies of food.

But the German manufacturers, however much they desired cheaper food, had not the courage to take the same bold step as the manufacturers of Lancashire and Yorkshire at a similar stage in England, and to agree to the removal of the duties on their own goods as a set-off to the reduction in food taxes. The Protectionists accordingly made skilful use of this point. They maintained that agricultural and industrial production were inseparable and that they must stand or fall together. With the assistance of cleavages in the ranks of the Progressive party, they won their battle in the Reichstag and though slight modifications were introduced from time to time, the high tariff survived. The economic strain became tremendous. Industrial progress continued superficially, and exports increased, but the cost of living increased still more rapidly. The margin of livelihood for the masses grew less and less and their condition became more and more depressed.

GROWTH OF SOCIALISM

The cost of production, too, rose with the cost of food, and manufacturers found that they were unable to compete in many foreign markets with British goods made under Free Trade conditions. As a result trade depression ensued in many lines of manufactures and unemployment increased. Ever since the middle of the century there had been in existence in Germany a strong Socialist party, founded by Ferdinand Lassalle and Carl Marx, which had never lacked able and brilliant leaders; August Bebel, who led the party till he died two years ago, was one of the most powerful personalities in European politics. The government had arbitrarily repressed Socialism, which openly declared war on the Protective system, but it steadily showed progress. Towards the beginning of the century, however, the economic condition which high protection had developed brought grist to the Socialist mills and the tide of recruits swelled with extraordinary rapidity. At each election the Socialist vote grew by leaps and bounds. The unequal franchise system prevented them from securing their full share of representation in parliament, but at the last election for the Reichstag, despite these handicaps, they mustered more than a fourth of the members. The Liberal party in Germany has always pursued a species of mild Whiggism, strongly tinged with Imperialist ideals; if they had supported the Socialists, who were out-and-out Free Traders, in their demands, changes in the tariff could have been forced. But the German Liberals were weak-kneed and the Socialists were left to fight the battle unaided.

INTERNAL STRIFE IMMINENT

The tariff, therefore, remained in the main intact; depression and unemployment increased and the number of people who were prepared to follow the red flag grew daily larger. The financial position of the German people was radically unsound, and when the Emperor came to levy his great special war tax he was only able to obtain two-thirds of the amount which he had calculated upon. The winter of 1913-14 revealed very serious unemployment in the industrial centres of Germany and bitter murmuring

and discontent were heard. There was little hope for any improvement in the coming winter. It became obvious that an internal revolution was impending in Germany and that the system of high protection which went hand in hand with autocratic militarism and bureaucracy was destined to a renewal of a fierce internal attack which it might not survive. The bureaucrats and militarists knew that if the citadel of high protection fell, other reforms could not be long delayed in face of the onslaught of the victorious Socialists.

It would have been the beginning of the end of the existing system of privilege and autocracy. The triumph of Democracy and Socialism was to the military class a more appalling calamity than death upon the stricken field. They apparently made their calculations and decided that it was better to perish on the field at the hands of external foes than to succumb to the constitutional pressure of their fellow citizens. There is every sign that this war was premeditated and not the result of a sudden decision; it was the last effort of a caste whose power was crumbling beneath their feet. If they prevailed in the war they would re-establish their prestige for a generation; if they failed their power was doomed anyhow and life under a Democratic government would not have been worth living. From time immemorial, foreign war has ever been the device invoked to re-establish its position, by an oligarchy brought to bay and faced with the loss of its power. It may secure a respite, but it cannot permanently avert the day of atonement. In the ultimate the power of the Prussian oligarchy was based upon unjust economic privilege. Economic privilege engendered discontent and sharpened the edge of the forces of democracy. A world-wide war by which suffering and misery have been brought to literally millions of homes, has been the result.

THE TRADER AND LOCAL TAXATION

By J. Rankin Rutherford

A REPORT OF A SPEECH DELIVERED AT THE ANNUAL MEETING OF THE ASSOCIATION OF TRADE PROTECTION SOCIETIES OF THE UNITED KINGDOM.

(A brief report of this speech appeared in June LAND VALUES, p. 17. We are now able to print a fuller report of Mr. Rutherford's speech from the COMMERCIAL REVIEW for July.)

I desire to submit a contribution to the discussion of an ever-present problem—the burden of local taxation. National taxation is constantly and continuously increasing, and we do hear sounds of revolt from time to time. But the increase of local rates has been in the proportion immensely greater than the increase of taxation. In 25 years national taxation has increased nearly 50 per cent., but local taxation has increased 120 per cent. In England and Wales the total sums collected in rates, apart from Exchequer grants, rose, from 1888 to 1910, from £28,000,000 to £63,000,000, and since that date the increase has been at an even higher ratio. In Scotland, the amount raised in rates has doubled in ten years.

Now this increase is not necessarily nor generally due to extravagance. It is due to many causes. Parliament has demanded a higher standard of life in all branches, and has imposed additional burdens upon local authorities. During the past 25 years over 100 general statutes have been passed affecting County Councils alone, and more than 300 affecting local authorities in general. Every one of them has imposed new financial burdens upon the ratepayers. This is particularly the case with boroughs. Public health, poor relief, education, shop inspection, asylums, roads, in every case new duties and new burdens have been added.

Now, I pass by the question as to how much of these burdens should be local and how much should be national. I am dealing with local rating only.

The burden falls mainly on those people in whom we here are most interested—the manufacturer and the shopkeeper. The manufacturer is assessed on the annual value of his factory and the land on which it is built; the shopkeeper is assessed on the rent he pays. In both cases the burden is exceedingly heavy and acts as a drag on trade. The agent, shipowner or professional man who conducts his business from an office contributes little indeed to local taxation compared with the manufacturer and the shopkeeper. With the former it is merely an incident of expenses. With the latter, it is a material item of oncost charges, and affects the price of all commodities produced or exchanged. Yet the shipowner or professional man may, and generally does, receive as emoluments for his services to the city substantially more income than the manufacturer and the shopkeeper.

It will be admitted that this is an unequal burden on the trader.

From time to time suggestions have been made to equalise this burden. I need only refer to the attempts to institute a local income tax. These proposals, which seem so plausible, have been finally demolished by the Royal Commission on Local Taxation, in whose final report the statement is made that "the imposition of such a tax would end in chaos."

Again, many people, regarding these local duties of poor relief, education, roads and prevention of crime as really national services, claim that they should be met by larger grants from the Treasury. There is much to be said for this, and a substantial beginning has been made in this year's Budget proposals. But while it will doubtless diminish the cumulo amount of local rates, it will not alter the proportions paid by different classes of citizens. Therefore, it will not relieve the manufacturer and shopkeeper of the handicap under which they are placed in their race with other trades and professions. For many years prior to 1885, and much more so since the system of grants-in-aid from the Exchequer and the system of assigned revenues from certain duties to the local taxation account have been in operation. They have never given satisfaction, and have not altered one whit the relative burdens of different citizens in the same city or different authorities in different cities or counties.

This subject has for a generation been in the minds of the administrators of our cities, boroughs and counties. It was the city of Glasgow which first drew attention to the cause of the inequality of the burden and to the solution of the whole problem of local rating. It is, of course, universal to levy taxes on land that is occupied and used. Land that is not used pays no rates. Land that is used pays on the basis of the value of its use, not on the basis of its market value.

We may divide city land into three classes:—

1. Land not in use at all.
2. Land in use but unbuilt on.
3. Land built on.

Our rates fall at present on only two of these:—

1. Land not in use at all pays no rates.
2. Land in use but unbuilt on pays rates on agricultural value, i.e., use value only, although its market value may be infinitely more.
3. Land built on pays on the basis of the use made of it, i.e., pays on its value plus the value of all the buildings.

The present system, therefore, acts as the imposition of a penalty on the owner and occupier of the land that is used, for the benefit of the owner of the land that is not used. For, speaking generally, there is no really agricultural land in a city. It is agricultural for rating purposes only. It may be used for agriculture, but its market value is not agricultural, but building value.