

# A Chorus of Condemnation

## BUDGET PROPOSALS AND THE FINANCE BILL DEBATED

It is a very bad policy to exhort people to work harder and, in the same breath, to deny them the fruits of their labour . . . In 1939 I had 500 War Savings Certificates. The value was £375, with which I could have bought three motor cars and furnished a house . . . I still have that money, but what could I buy with it? I could buy half a car, but I should look silly in half a car . . . I have always regarded purchase tax as the most vicious and stupid tax ever imposed in this country . . . It is not justified in time of peace.—SQUADRON LEADER A. E. COOPER, Conservative.

The list of (purchase tax) restrictions is most sadistic because it taxes things needed for cleanliness . . . things needed not only in homes but in hospitals and restaurants, railway waiting rooms, offices and shops. That cannot be in the public interest.—MRS. LENA JEGGER, Labour.

I do not like the purchase tax on furniture and household goods; it is unnecessary taxation.—MR. JOHN HALL, Conservative.

To what extent will putting 30 per cent purchase tax on dustbins assist our export of dustbins? I should like to know whether 30 per cent on buckets will assist our export trade. It is ludicrous, nonsensical, to say that 30 per cent put upon pot scourers, rolling pins and pastry boards will assist the export trade.—MR. A. W. J. LEWIS, Labour.

I believe that the Chancellor contemplates later converting the purchase tax into a general sales tax. Last night on television he said, "Well, these are like a sales tax." A sales tax is a convenient thing to collect, but it is extremely regressive. We shall bitterly oppose any changes of that kind.—MR. HUGH GAITSKELL, Labour.

An economic or market price should be paid for each commodity, and we should have neither purchase tax on the one hand nor subsidies on the other . . . for people who receive a proper wage to have their bread subsidised seems to me to be the end.—MR. ARTHUR HOLT, Liberal.

We are at present subsidising the loaf of bread and taxing the knife with which it is cut. That does not seem sensible to me . . . A virile and prosperous agriculture must have its place in the national economy. The worst way of securing it is by the way of subsidies . . . Housing subsidies have distorted the economy to an amazing degree . . . Changes in purchase tax are of definite disadvantage to industry.—SIR HERBERT BUTCHER, Conservative.

Purchase tax is even more *dirigiste* than direct taxation. The French term is more expressive than the English term, "collectivism." *Dirigisme* gives the true picture of the State using the weapon of taxation in particular and selective ways in order to achieve a social result . . . As well as being selective and unfair, purchase tax is actively promoting inflation.—VISCOUNT HINCHINBROOKE, Conservative.

Cosmetics are regarded by psychologists as of very great importance—so much so that even the women convicts in Holloway Goal, as part of their corrective treatment, are now permitted the use of cosmetics. I cannot see why we have to pay this excessive tax of 90 per cent on them.—MRS. EIRENE WHITE, Labour.

Chancellors now think and speak in terms of criminal assault rather in the language of the taxgatherer. They are always picking up "weapons" to deal with the unfortunately recalcitrant public who are struggling through a life of

taxation and toil to make both ends meet.—MR. H. LEVER, Labour, Cheetham.

This proposal (to increase from 75 to 90 per cent purchase tax on three-coloured printing) will be disastrous to the industry. It will drive prospective customers into ordering only cheap or even shoddy printing. The menace is already with us. Hundreds of firms are now resorting to the use of duplicating machinery. In the same schedule the Chancellor is entirely exempting from tax, pool, lottery and sweepstake tickets unless they are provided with counterfoils for completion in manuscript. What utter nonsense all this is.—MR. W. A. WILKINS, Labour.

The tax (on furs) was lightened last January. From January to September this year, the exports of fur and fur skins were £17.8 million compared with £13.9 million in the comparable period last year. In other words, reducing the tax burden resulted in a boosting of exports and an increasing yield to the Revenue. I am hopeful that the lesson will not have been lost on the Chancellor and that he will have second thoughts.—MR. BERNARD BRAINE, Conservative.

A decision is wrong when it results in one worker continuing at work, and probably working overtime, because he is putting lamb's wool trimmings on slippers, and another worker being completely out of work, simply because, by blind chance, he is putting rabbit skin trimmings on slippers.—MR. VICTOR COLLINS, Labour.

*There are many people who would argue, and I am sometimes tempted to join them, that it would be nice to see the purchase tax disappear altogether. But at present we have to raise very large sums in revenue and nobody within my hearing has ever suggested a better way of raising £400 million if the purchase tax disappeared. We therefore have to have purchase tax. If we have it, we cannot have yawning gaps in it, and there would be quite an anomalous gap if there were no tax at all on furniture.*—MR. HENRY BROOKE, Financial Secretary.

I have been deeply impressed by the anger and resentment of the men in the fur business who came to see me about this tax. One showed me a box of these little booties and said, "They will not take them. I cannot sell them. They

### THE JUST ALTERNATIVE TO PRESENT TAXATION

What we propose is not a mere fiscal change; not a mere clever scheme of equalisation—it is a conforming of the most important and most fundamental of all human adjustments to the supreme law of justice; a recognition of that natural right of property which exists irrespective of what kings and emperors or parliaments or legislatures may enact and which is attested by the clear perceptions of the moral sense.

We would not take from one to give to another; we would not beg one class to relieve by their alms another class. But, by abolishing all taxation upon labour and the products of labour we would leave to the individual the full rewards of individual industry, skill and thrift.

By taking for the community those values which attach to land by reason of the growth and improvements of the community we would take for the benefit of all that which is brought forth by the presence and effort of all.

In all things we would follow freedom.

—HENRY GEORGE in *The Standard*, 1887.

are back on my hands and I cannot move them." That is a terrible thing.—SIR BEVERLEY BAXTER, Conservative.

This tax (5 per cent on furniture) will not only be passed on, but boosted by the equivalent amount of profit which the retailer always puts on his articles. There will be worthless articles, and we shall demoralise the people who make them and the people who buy them.—MR. BEN PARKIN, Labour.

*If, during the coming year, as we hope, exports take an increasing proportion of output, we shall not get this revenue, for the reason that there is no purchase tax on exports, but to that extent we shall have an improvement from the economic point of view. Quite frankly, I would rather have exports than revenue at the present time.*—MR. R. A. BUTLER.

There must be something wrong with the economy of this country as conducted by both parties ever since the war . . . industrial output is up by 27 per cent (since 1945) and non-economists like myself might be pardoned for thinking that we should be better off . . . Unless we call a halt to inflation people may one day turn to retrograde and totalitarian measures.—VICE-ADMIRAL J. H. HALLET, Conservative.

Inflation is a "Pandora's Box" which contains every evil, both moral and economic. It brings about unrest and speculative booms; it wrecks the morals both of employers and labour; it means—and this is often forgotten—cruelty and immorality, for it steals and robs the savings of the people, both poor and rich; it makes the £ a prostitute instead of an honest woman. Finally, it tends to price us out of world markets.—MR. GODFREY NICHOLSON, Conservative.

During the last ten years we have been striking at certain results of inflation without going to the cause . . . The objection to stopping inflation is not a technical economic one. By continually depressing money, one hits at the poorest in the country . . . The root cause of inflation must be a continual tendency for too much credit and money to get into the system, and no Chancellor of the Exchequer has been able to explain how or why that happens.—MR. JOSEPH GRIMOND, Liberal.

The argument of the Chancellor, as of many hon. Members on the Government side of the House, seems to be that purchase tax is a deflationary form of taxation. We have had this tax for about 14 years, but during the whole of that time we have been going through an inflationary period.—MR. W. COLDRICK, Labour.

Purchase tax may prove to be the wrong remedy to apply at the present time. It fails to curb inflation and it may damage our exports rather than help them. I regard as bad taxes all taxes which tend to make people pay prices which are not the real prices for the goods they are buying. Purchase tax is a monstrous distortion, and the sooner we get rid of it the better, but are we now paying the way for a sales tax to be substituted for it? The sooner we get back to buying goods at the prices which they actually cost, the better. The money the Chancellor requires could either be saved now by proper economies in Government administration, or, alternatively, obtained in better ways that do not tend to distort our economy. I shall not support the Government in operating this increase in taxation.—MAJOR H. LEGGE-BOURKE, Conservative.

#### AND THIS FOR THE RECORD

I cannot identify myself with my hon. Friends who object to purchase tax *per se*. I am not a believer in the economic price. For a Government to control, or attempt to control, purchasing power by indirect taxation always seems to me to be a perfectly legitimate aspiration. I think that my hon. Friend has been exceptionally wise in increasing the purchase tax.—MR. DENZIL FREETH, Conservative.

## MINISTERIAL REPLIES To Questions in Parliament

*Monopoly Practice To End.* The Federation of Calico Printers has agreed to the complete termination of the percentage quantum scheme, together with the obligation contained in it to observe minimum prices and uniform trading conditions. It has no intention of resuscitating obligations or sanctions in respect of these matters under a fresh agreement.—MR. Walker-Smith, November 15.

*Monopoly Practices Suspected.* Common prices and collusive tendering are to be the subject of inquiry by the Monopolies Commission. The Commission is also to inquire into the supply of chemical fertilisers. Terms of reference for both inquiries were given by Mr. Thorneycroft, November 2.

#### FOOD AND FARMING SUBSIDIES

*Sugar Taxed and Subsidised.* Mr. Brooke, the Financial Secretary, told Mr. Dye (December 15) that during the year ended March 31, 1955, excise duty received in respect of home-grown sugar amounted to £2.83 million. Four days later Mr. Amory, Minister of Agriculture, told the same Member that although no direct subsidy was paid on home-grown sugar his Department refunds losses incurred by the British Sugar Corporation as a result of its obligation to pay the price fixed for sugar beet at the Annual Review, and receives the benefit of any profits in years when the Corporation makes a trading surplus. Net assistance during the eleven years ending March 31, 1955, had amounted to £21.5 million. Assistance for the last year had amounted to £1.21 million.

*Subsidised Bread and Milk.* The milk subsidy, excluding the welfare schemes, and the bread subsidy were estimated to cost £28.9 million and £40.7 million respectively in the current financial year. These figures represent unit subsidies of about 2/3 pence per pint on all milk sold for liquid consumption and 1d. per 14-oz. loaf.—MR. Amory, December 12.

*Food Subsidies.* Including production grants and subsidies administered by the Agricultural Departments and by the Board of Trade, food subsidies amounted to £335.3 million, and £427.1 million in the financial years 1946-47 and 1951-52, respectively. The corresponding figure for 1954-55 is estimated at £330.8 million, including the agricultural deficiency payments for fatstock and cereals which were introduced in July, 1954.—MR. Butler, November 29.

*£75 million Hand-Out.* Deficiency payments for the U.K. on pigs amounted to £75.8 million during period June 28, 1954, to November 25, 1955. The Minister claimed that producers, consumers and taxpayers had benefited as a result, the latter "because of the higher market return for pig meat, which therefore means a lower subsidy cost."—MR. Amory, December 5.

*Marginal Production Schemes.* Grant payments made during the financial years 1953-54 and 1954-55 were respectively £1.42 million and £1.73 million.—MR. Amory, December 12.

#### MONEY MATTERS

*National Savings.* Net investment in National Savings during the financial year 1954-55 was £117.5 million, including accrued interest. As there was a revenue surplus in that year, no expenditure above the line was financed by borrowing, either through National Savings or otherwise.—MR. H. Brooke, October 27.

*Post-War Credits.* The total now outstanding is estimated at about £529 million. This amount would have to be increased by about £320 million to provide the same amount



of purchasing power at 1943 prices.—*Mr. Brooke, November 17.*

*The 1955 Pound.* Taking the internal purchasing power of the £ as 20s. in October, 1951, the corresponding figures for the first ten months of 1955, based on the Interim Index of Retail Prices were: January to March, 17s. 8d.; April and May, 17s. 7d.; October, 17s. 0d.—*Sir E. Boyle, November 18.*

#### THE LAND QUESTION

*Shortage of Allotments.* Total acreage has fallen from 107,000 acres in 1948 to 101,000 acres, although local authorities have provided nearly 6,000 acres for cultivation as statutory allotments. It is extremely difficult to find land in many cases.—*Mr. Amory, November 24.*

[A change in the rating system would make available for this purpose much land at present unobtainable except at breakneck monopoly prices.—Ed., L. & L.]

*Agricultural Land.* Precise figures of the loss of agricultural land for food production are not available. Tabular information given by the Minister (which excludes holdings not exceeding one acre) show a total net loss of 544,000 acres between June, 1939 (28,823,000) and June, 1954 (28,279,000).—*Mr. Amory, November 24.*

*Agricultural Land Commission.* Sales already completed or agreed total some 10,000 acres valued at over £400,000. Between 60,000 and 70,000 acres are, or shortly will be, available for sale. The Commission had 228,000 acres under its control at the end of March.—*Mr. Amory, November 22.*

*Church Property.* Real estate owned by the Church Commissioners is thought to be worth about £75 million, but most of it has not been valued.—*Sir J. Crowder, November 21.*

*Sir Malcolm Trustram Eve* has been appointed to a vacant post as Commissioner of Crown Lands with a view to his being appointed in due course Chairman of the proposed Board of Trustees for Crown Lands.—*The Prime Minister, November 3.*

#### RESTRAINT OF TRADE

*Key Industry Duty.* Hydrazino-carbonyl-methyl-trimethyl-ammonium chloride (Girard's reagent T) falls under the general description of chemicals in the Schedule to the Safeguarding of Industries Act, 1921, and has been listed with effect from July 8.—*Mr. Thorneycroft, November 3.*

*Unsuccessful Special Pleading.* Horticultural products for which the Government has decided no case has been made for increased protection include: cider apples, dried apples and pears, certain fruits preserved in syrup, including cherries, loganberries, peaches, pears and apricots; certain canned vegetables, including asparagus and peas, but excluding tomatoes, beans and maize. Other applications are still under consideration.—*Mr. Thorneycroft, November 3.*

*Imported Machinery Taxed.* The Government have now decided that on a balance of the practical considerations involved there is not a case in the national interest for extending the duty-free licensing arrangements to plant, recommended by the Wilson Smith Committee on the Duty-Free Entry of Machinery.—*Mr. Thorneycroft, December 21.*

*U.S. Tariffs.* H.M. Government have expressed to the United States Government their grave disappointment at the recent decisions in respect of the contracts for the Chief Joseph Dam, and the increase in the U.S. tariff on bicycles.—*Mr. Thorneycroft, October 27.*

*Imported Apples.* The permitted increase of 10 per cent in the import of apples from North America is in the interests of good trading relations with Canada and the United States, which were both established before the war as the largest overseas suppliers to the United Kingdom market, and will

help to mitigate the expected shortage of home grown apples. These quotas, which are imposed on balance of payments grounds, already restrict imports of apples from the dollar area.—*Mr. Thorneycroft, October 27.*

#### THE RIGHT TO PRODUCE

*Foreign Miners Kept Out.* In the absence of agreement with the National Union of Mineworkers the National Coal Board has not been able to take advantage of the Ministry of Labour's standing arrangements for bulk recruitment of foreign workers.—*Mr. Watkinson, November 1.*

*Northern Rhodesia.* The Agreement between the copper mining companies and the European Mine Workers Union which is to apply throughout the Copper Belt, provides for 24 categories of jobs at present held by Europeans to be thrown open to Africans.—*Mr. Lennox-Boyd, October 26.*

*Fewer Cotton Workers.* The Ministry of Labour has been able to place in some other industry in Lancashire every displaced cotton worker who wanted another job. In the 12 months to last September there was a fall of 29,000 in the number of cotton workers. In the 3 years ending September, 1954, the number so employed fell by 31,000.—*Mr. Watkinson, November 1.*

#### A CAREFULLY FRAMED REPLY

*Idle Land in Kenya.* The Agricultural Census of the East Africa Statistical Department states that 3 per cent or 210,000 acres of the White Highlands has no owner, and another 11 per cent or 880,000 acres is underdeveloped or unused. Mr. James Johnson (Lab., Rugby) asked the Colonial Secretary whether he would consider the transfer of some of this land in the districts of Laikipia, Uasin Gishu and Thika to selected African farmers.

In a written answer, Mr. Lennox-Boyd replied: "Parts of the unowned area are useless for agricultural purposes and for some the development costs have proved too high. Other parts consist of small pockets which require to be joined to larger units for economic working. The undeveloped areas consist mostly of small isolated parts of well-developed European farms which have not been brought into use because of poor fertility, irrigation problems or inaccessibility. They would be useless to peasant farmers. Under the Agricultural Ordinance passed this year, the Kenya Government has taken powers to ensure full development in the Highlands and other scheduled areas."—*November 9.*

#### SOME OTHER REPLIES

*Exchequer Housing Subsidies.* Payments in respect of permanent houses in Great Britain were £19.15 million (1946-47); £31.65 million (1951-52); and £52.04 million (1954-55).—*Mr. Sandys, November 29.*

*Overseas Trade Fairs.* The primary purpose of industrial displays at overseas trade fairs is to sell goods. That is a function of industry and not of government.—*Mr. Low, October 25.*

*Coal Imports.* In the first nine months of 1955 8.7 million tons were imported at a landed cost of £55 million compared with 1.5 million tons costing £9 million in the same period of 1954.—*Mr. Joynson-Hicks, October 27.*

*Sales Tax.* We have no ready-made scheme for a general sales tax. Hon. Members would be very unwise to underestimate the complexity and difficulty of introducing any such tax.—*Mr. Butler, December 6.*

*Taxed Wedding Presents.* In fairness to couples getting married here, whose presents have to bear Purchase Tax and sometimes Customs duty, it would not be fair to waive payment of duty on wedding presents brought into this country by foreign wives.—*Mr. Butler, November 29.*

# DERBY FINANCE COMMITTEE CHAIRMAN CALLS FOR LAND-VALUE RATING

Alderman C. R. Bates, Derby's "Chancellor," told Derby Town Council, yesterday, that the present rating system was "definitely wrong" and ought to be abolished. It would be the "easiest thing in the world," he added, to replace it with a more equitable and efficient system—the taxation of land values . . .

After outlining the effects of derating in Derby, Alderman Bates condemned the present rating system and advocated its replacement by the taxation of land values. During recent months, he said, the Estates Committee had sought four-fifths of an acre of land which, after the demolition of slums on it, stood derelict and unrated.

The committee wanted the land to assist in the town's development—but the owners asked £12,500 per acre for it, or the equivalent of £2 12s. per square yard.

Alderman Bates said he was surprised that employers and big property owners rejected taxation of land values since, under it, only land and not property on it would be taxed. Under that system the tax could not be passed on to a tenant, but was borne by the owner.

Councillor Harold Thorpe said that he and most members of the council's Conservative Group fully agreed with the abolition of derating.—*Derby Evening Telegraph*, January 5.

## MUNICIPAL LAND PURCHASES

The price of land bought or required for municipal housing was repeatedly mentioned during the Second Reading of the Housing Subsidies Bill, November 17 and 21:—

**SHOREDITCH AND FINSBURY.** Interrupting a Conservative speaker (Mr. David Price, Eastleigh) who was developing the argument that people have a "basic responsibility to house themselves, if they can," Mr. Victor Collins asked: "How does the hon. Gentleman suggest that in a constituency like mine, a metropolitan borough, where the development cost per site is £28,000 an acre, people can provide themselves with houses?" He was not answered satisfactorily.

**ACTON.** "Land is very expensive to buy, costing £10,000 an acre to acquire, upon which it is possible to put between 32 and 45 flats."—*Mr. J. A. Sparks (Lab., Acton)*.

## F. A. W. LUCAS SAILS FOR HOME

The Hon. F. A. W. LUCAS, Q.C., president of the International Union for Land-Value Taxation and Free Trade, returning to South Africa from an extensive lecture tour in the U.S.A., spent Christmas-time in the South of England and was a most welcome visitor at 4 Great Smith Street. He sailed from Birkenhead on January 4 by s.s. "City of New York," and was bid *bon voyage* by a group of members of the Liverpool League, glad of the opportunity, but only sorry because time did not permit of an evening of social gathering and reception. The American lecture tour was organised by the Robert Schalkenbach Foundation. A full report, by favour of Miss V. G. Peterson, the secretary, will be given in our next issue.

## OBITUARY

It is with regret that we announce the deaths of Mr. ERNEST INGLEDEW, Mr. T. ATHOLL ROBERTSON and the Rev. P. L. QUILLET, each an adherent of the cause for which this Journal stands. Mr. INGLEDEW was long a member of the United Committee, but in later years his ability to get out and about was unfortunately limited by his severely crippled state. Mr. ATHOLL ROBERTSON was a past president (1923) of the

English League for the Taxation of Land Values. In the short Parliament of 1923/24 he represented East Finchley, Middlesex, in the Liberal interest. Standing again for that constituency in 1929 and 1935, as also for West Perth in 1931 and Aylesbury in 1938, he was unsuccessful. Editor for 50 years of the Scots Year Book he was keenly interested in clan life and it was in Scotland itself that, as a leading Liberal, he was best known for his advocacy of Land-Value Taxation and Free Trade. The Rev. QUILLET was a frequent attendant at the discussion meetings organised by the Henry George School and the Land-Value Taxation League—a genial personality who will be much missed for the sympathetic interest he displayed.

## League Meetings

Readers and their friends are cordially invited

### WESTMINSTER

7 p.m. at Church House, London, S.W.1

Feb. 8 "Where the Money Goes"—A peep behind the scenes of Local Government.—Cllr. John Hancock.

### WELLING, KENT

7.45 p.m. at Public Library, Bellegrave Road, Welling

Jan. 18 Any Questions?—Contest between a London and a Welling team.

Jan. 25 Economic fallacies in Party Programmes—C. A. E. Aitken.

Feb. 8 A Young Man Looks at International Trade—S. Broder.

Feb. 22 The True Road to Peace—Ian Dixon, P.P.U.

### LIVERPOOL

7.45 p.m. at Free Church Centre, Tarleton St., (off Church St.)

Jan. 18 Our Daily Bread—H. T. Boothby.

Feb. 1 Colonisation—H. A. Baxter.

Feb. 15 The Faith of a Liberal—T. H. Oliver.

Feb. 29 Economic Services in Illustrated Form—C. Watkinson.

Mar. 14 Topic of the Moment—Miss J. Paton.

Mar. 28 Natural Law—C. C. Paton.

### GLASGOW

7.30 p.m. at Christian Institute, 70 Bothwell Street

Jan. 18 Rising Wages—Out of Profits?—Bailie J. Peter.

Feb. 15 Municipal Aspect of Land-Value Rating—

Bailie A. B. Mackay.

## PUBLIC ONE-DAY CONFERENCE

### THE NEW VALUATIONS AND LAND-VALUE RATING

At the Co-operative Hall, Welling, Kent

Chairman: STEPHEN MARTIN. Speakers:  
A. W. MADSEN, B.S.C., Cllr. JOHN HANCOCK,  
V. H. BLUNDELL and V. G. SALDJI.

Saturday, 18th February, 10.15 a.m.—6 p.m.

Conveners: NORTH-WEST KENT BRANCH, L.V.T. LEAGUE