

undertaking that the Treasury shall pay all the rest. Further, in all cases, if at the end of the period above referred to, the value of the property built by the local authority is less than the amount of the loan then outstanding, the Treasury is to meet three-quarters of that difference.

One "extenuating circumstance" attaches to the Corn Production Act, wrong in principle as it is. It was at least made law by a parliament. The agricultural doles have some constitutional authority behind them. We know not if the same can be said of these grants-in-aid of housing. Vast sums of public money are pledged in a Government ukase without any pretence of consulting the House of Commons, save that the citation of "Part III. of the Housing of the Working Classes Act, 1890," can have provided this potentially enormous blank cheque drawn on the Treasury and the tax-payers by the Local Government Board. Be this as it may, the two policies, Corn Production and House Production, are an exact parallel the one of the other. Both confirm and strengthen the obstacles erected by monopoly in the way of industry and development. The housing subsidies, if any such proposal ever gets farther than the paper it is printed upon, will only raise the barrier higher than it has already been raised in face of private demands. Local authorities with their own credit, backed by that of the State, will be sent to market to buy or lease first of all the sites for their houses. They will find land speculation lying in wait for them, ready and able to exact a price that will transfer to the mere landowner a large part if not the whole of the financial assistance, given but not granted by the taxpayer. Vacant land, so unjustly relieved now from taxation, will command a still greater premium; and not that alone, since the value of the quarries and deposits where stone, clay, slates and lime are to be found, will equally respond to the expenditure of the Treasury's millions.

It may be said that the Board do make some stipulations about land. It is laid down as a condition of financial assistance that schemes must be "approved," and such approval "shall include approval of the site chosen, of the cost of the land, and of the conditions on which the land is acquired." Moreover, "the scheme should be framed so that, as far as reasonably possible, not more than twelve houses shall be placed on one acre of land." These quaint ideas have no meaning if there is any intention to get houses built, and at once. The price of land is not reduced by the displeasure of the Board of Agriculture, nor by the opinion that twelve houses are enough to crowd on to one acre. The price of land is a glaring, outstanding fact to be accepted with the best grace and the longest purse until the radical means are adopted that will overthrow the monopoly.

The excuse for this plunge with public money into the unknown is that of dire necessity. Our contention is that this is the way to make matters worse. The causes of congestion and house-famine are the difficulty of obtaining the ground on which to build houses, the rents exacted and the taxes imposed when they are occupied, and above all the low wages that disable men from paying for the accommodation they desire and

need. No doubt dire necessity compels drastic action, but anything short of at once freeing the avenues to employment from tribute and the possibilities of tribute, and at the same time repealing penal taxation, will certainly fail of its purpose.

A. W. M.

## THE BUDGET

The Budget marks a further downward step in our fiscal legislation. The taxation of food, matches, tobacco, correspondence and industry is increased, while the dangerous though superficially attractive plan of taxing luxuries is carried a long stage further. We understand the sentiment which supports "luxury taxes" on the ground that those who have the money should pay, but we deny that such taxes do in practice have the desired effect. These taxes following on the heels of the import duties placed upon "luxury imports" simply provide a convenient jumping off ground for the protectionists. The greater the number of articles taxed the more difficult does it become on grounds either of principle or expediency for those who have supported the imposition of some to resist the enactment of others. We hope, therefore, that the free traders, or so many of them as remain in the House, will take this opportunity of considering their position, and of standing up for a principle of enduring importance, and one which there is no excuse for sacrificing on the altar of battle. The outcome of the war will indeed be disastrous, and the prospect of future wars enormously increased if trade is to be restricted by a tariff and a multitude of oppressive and unequal Excise duties. It is only a few days since Lord Robert Cecil stated that the Paris resolutions still stood as the policy of the Government, and the spirit of those resolutions is protectionist, just as is the spirit of this Budget.

The Chancellor of the Exchequer has stated that there is nothing in land values, and in his financial proposals for the year he has acted up to that statement. There is another £13,000,000 in sugar and £4,000,000 in postage stamps, but the landlords, whose land has been enormously enhanced in value by the "Rent Production Act," are still exempt from any special taxation. Manufacturers of munitions and others have to pay an excess profits tax of 80 per cent. (perhaps rightly, we are not concerned with that), but those who obtain an enormous increase in the value of their land out of the simple increase of demand and growth of industry, are subjected to no such impost. It is true that on his rents the landlord pays income tax, but it is only some landlords who thus pay—those whose land is being used—while the others whose land is held out of use and who least deserve consideration are exempt. The workman is subjected to the Munitions Acts and the average citizen to D.O.R.A. and the virtual suspension of the Habeas Corpus Act and all the time-honoured civil liberties of the British Constitution, but those who own the land, and can turn him out of house and home and close up every avenue of employment, are subject to no restraint or disability.

Now when the income tax is raised to a basic rate of 6s. in the pound and the super-tax graduated up to 4s. 6d., perhaps some of those who have thought with Mr. Bonar Law that there is nothing in land values will reconsider the matter. But it is for the workman most of all to consider this question. The National Debt will, according to the Budget Speech, amount to £7,980,000,000 at the end of the financial year in March, 1919, which involves a debt charge of £315,000,000 a year. The pre-war expenditure amounted to £173,000,000, and pensions and other charges will amount probably to £97,000,000, making in all a total national expenditure of £585,000,000 a year if the war ends this year—more than three times what it was before the war. This is the prospect which confronts the working man and woman, this and unemployment, high rents, and all the other consequences which war has the habit of bringing in its train. Perhaps he, at least, will think that there is something in land values, not merely as a revenue-raising instrument, but also as a lever for opening nature's storehouse to those who have the strength and intelligence to produce wealth from it if only the grip of those who control and own it be loosened.

Even on Mr. Bonar Law's computation which we have just given the position is serious, for as Mr. Outhwaite pointed out in the course of the debate, £300,000,000 out of the estimated revenue for the year is to come from the Excess Profits Tax, which is a purely temporary measure. It may also be contended that the Chancellor's estimate of the rate of expenditure after the war was extremely modest. Mr. Outhwaite put it at £900,000,000. Existing sources of revenue, apart from their other demerits, are inadequate to cope with such a burden.

We would, therefore, once more draw the Chancellor of the Exchequer's attention to the possibilities involved in a tax on land values. He is ready to embark on a fiscal experiment (the luxury tax) which he admittedly does not know how to put into operation, and the responsibility of which he wishes to devolve upon a House of Commons Committee. For the taxation of land values, on the other hand, he has the machinery practically ready-made. The valuation is completed; it can readily be turned into a revenue producing instrument. It is certain that by this means a revenue infinitely greater than the produce of any system of luxury taxation could easily be raised. We do not know what the site value of the country is precisely, but, as Mr. Dundas White pointed out in the debate, there are certain data to guide us. What is called the "total value" (which is, broadly speaking, the value of landed property less fixed charges, such as rent charges and feu duties) amounts in the aggregate for the whole country to £5,000,000,000. Allowing for the fact that this does not include mineral values, Mr. White concludes that the land value of the country must be considerably over £4,000,000,000. Surely this is a basis on which a considerable revenue could be raised? And, if our Chancellor of the Exchequer's mind was bent on revenue alone, a source which he would not neglect to tax,

before having recourse to such petty measures as French despots of the *ancien regime* used.

The revenue aspect of the matter should make some appeal to him. We know that it is useless to appeal to those who are the devotees of bureaucratic methods on the wider issues of the justice and liberating effects of the taxation of land values, though this to us is the most important aspect of the matter. The paramount need of the people of this country after the war will be to widen the opportunities for productive and profitable employment of their labour. If this is not done the competition of men for jobs may easily create an appalling situation. We have seen what the spare time labour of allotment holders can do working on city plots, and it is not too much to say that this proves that even the agricultural potentialities of this country are hardly touched. But the development of every basic industry—agriculture, mining, building, for example—is checked by a system which encourages landowners to hold land out of use. We would change all this by penalising those who hold land out of use, making the owners pay on the value of their land instead of on the value of the use they make of it as at present. The owners would then become anxious to find users for their land, the pressure of competition in the labour market would be eased in a natural and beneficial manner, and wages and production would increase.

#### THE AGRICULTURAL WAGES BOARD

The Agricultural Wages Board, established under the Corn Production Act, is now approaching the end of a difficult part of its initial work. Of the 39 District Wages Committees, which are to cover the settled areas of England and Wales, 29 have been constituted. The completion of the 10 that remain is delayed only by the necessity of considering the qualifications of a few of the candidates for membership.

Already two proposals for minimum rates have been received by the Board—from Norfolk and Northamptonshire. The history of the Norfolk proposal illustrates the working of the scheme. The committee suggested 30s. for a 55-hour summer and 48-hour winter week. As a matter of fact, the Board has no power to fix hours in general; it deals with them only in relation to rates of pay, and the meaning of its alteration in the Norfolk schedule is that hours worked over the 54 or 48 mentioned rank as overtime.

It may be anticipated that the minimum wages that will eventually be settled throughout the country will be highest in districts where other industries compete with agriculture for labour. Hitherto, in time of peace, agricultural wages have been always higher in the neighbourhood of mines and big industrial centres. Oxfordshire, which has no great industries, has had the reputation of paying the lowest agricultural wages.—*The "Times," 3rd April.*

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