

LAND & LIBERTY

Published by THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES, LTD.

Forty-Third Year. Established June, 1894.

By Post 2s. 6d. per annum.

Editorial Offices

94 PETTY FRANCE, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Sowest, London." Telephone: Whitehall 6008.

Postage on this issue is One Halfpenny.

MAY, 1936.

THE BUDGET

On 21st April, the Chancellor of the Exchequer presented his Budget for the year 1936-37, estimating the expenditure at £797,897,000, plus £26,500,000 apportioned out of the motor vehicle duties to the "road fund," making the actual total £824,397,000.

On the other side is the taxation to be imposed and the miscellaneous revenue receivable, which taken together are expected to exceed the expenses by a small surplus. The tax-revenue will amount to £793,281,000. In this we include the £11,256,000 profit on the Post Office, a State monopoly, and the whole yield (£31,500,000) of the motor vehicle duties, of which in the national accounts as they are submitted £5,000,000 will go to the Exchequer and £26,500,000 to the "road fund."

The rest of the revenue for 1936-37, total £31,600,000, is made up of £1,350,000 from Crown lands; £5,000,000 from loans due to the Government; £20,000,000 miscellaneous receipts, source not given in the published Financial Statement; and £5,250,000 "raided from the road fund," which had a surplus of that amount standing to its credit at the close of the financial year, 1935-36. In other words, the excess yield of these particular taxes on transport (with the petrol duties added, transport is taxed yearly with the amount of £79,500,000) over what has been spent on the roads is now to be taken in 1936-37 to be spent on something else.

Aggregate revenues and expenditures are respectively £824,881,000 and £824,397,000. The Chancellor of the Exchequer has budgeted for a surplus of £484,000.

The expenditure is to include the huge sum of £178,251,000 on army, navy and air forces, which is £54,000,000 more than was provided for last year and £101,072,000 more than was spent in the year before the War that was to end wars. But that is not all. The figure of £178,251,000 is the present entry for budgetary purposes in the national accounts. The Government's White Paper on the defences of the country, without naming any sum, announces a gigantic outlay on armaments to be concentrated within the next five years and the incurring of public debt to pay for it. Thus it is not known, or it has not been revealed, what will be spent this year out of borrowed money, in addition to the £178,251,000 appearing in the Budget, on the military preparations by which the Government thinks or hopes it can ensure national security, safeguard collective security and (such is the strange mentality!) force the pace for a united and agreed plan of general disarmament.

With blindness to the economic cause of international jealousies and hatreds, and no suggestion for disarming them by easing the stopped-up channels of production and trade, this Government is calling on the people for a deliberate and profligate dissipation of national treasure by turning it into the commissariat and weapons

of war. The Government is driven, it is said, by the present European situation. Other Governments, also storing up dynamite, declare they are as unavoidably driven to arm against the fears that beset them, the fears that affrighten the whole helpless crowd. None will accept its share of responsibility for the socially destructive forces that are at work in trade restrictions, and in the monopolies and privileges Governments have fostered for the benefit of favoured interests. The internal economic conflict so provoked between haves and have-nots is a potent influence making for international strife that is never mentioned in the diplomatic conversations. In that polite society you never refer to the domestic policy of your neighbour (that would be the interference forbidden at Geneva) or the errors of his household, and if your family is being injured, not you but your neighbour is to blame. Diplomacy consists in saying so with the least possible offence. Truth and honesty would compel admission from each of the Governments that it was responsible for the poverty and unemployment inside its own boundaries. But each is in this damnable armaments race exploiting the hardships among the common people as due to no social injustice it could remove, but to the evil practices of the foreigner and the sins committed by him. It is enough for us to see our own Government fanning the flames, making the war atmosphere by closing British markets to other countries and by its tariff policy impoverishing its own people. It has helped in the competitive and retaliatory building of the trade obstructions which lead inevitably to the erection of the barbed-wire fences with the trenches and the mounted guns behind them.

On the basis of existing taxation, Mr Neville Chamberlain would have had a deficit at the end of 1936-37 of £21,291,000. This he proposes to make up by increased taxation helped out by the "raid" he has made on the road fund. The general rate of the income tax will be 4s. 9d. in the £ instead of 4s. 6d. as at present, but he has increased the abatements for wife and children so that the "family man" of moderate income will actually pay less than before. The increase in the rate of the tax, subject to these allowances, will produce additional revenue of £10,000,000. The Chancellor has increased the tea tax from 4d. to 6d. per lb., estimated to produce £3,700,000 additional revenue in a full year. He has increased the import duty on lager beer to bring £27,000 more than before, which is such a ridiculous mouse in the £800 million budget that it rather attracts interest for the brewing industry as a means to keep out imports than it excites the attention of the steel-makers as means of paying for the next battleship. Finally, Mr Chamberlain is taking measures against the "tax-dodger" who has found ways of legally avoiding the income tax; and by turning the screw or stopping the gaps, or whatever the metaphor may be, he will meet ingenuity with ingenuity and make the sharp-witted folks pay this year £3,000,000 more and £6,500,000 more in a full year. The misprint we saw the other day referring to the Commissioners of Infernal Revenue was perhaps not altogether innocent.

The tea tax is a mean and despicable dodge for throwing the cost of Government on the very poorest. The Chancellor of the Exchequer says the tea drinker must also make sacrifices, which means that the lower the wage the greater shall be the sacrifice. It was his predecessor in the last Tory Government, Mr Winston Churchill, who took pride on having swept this impost away, but it is back again and now at the rate of 6d.

These are the tax changes showing the pitiable shifts of the Chancellor, but far more important and the fact

that is too often overlooked in the Budget discussions, is that he is re-enacting and re-imposing the frightful yearly burden on trade and production and industry. That is the Budget. It is an act imposing duties and of customs and excise to the amount of £517,000,000, and wheel taxes and many penal and predatory taxes. It stations a tax-gatherer outside every grocer's shop, and uniformed beside the theatre or cinema commissioner stands the excise officer. The State is stealing the wages of labour because it fails to take that which belongs to it—the community-created value of land—and allows it to go into private pockets: the fund, referring to which the late Sir John MacDonnell wrote in his *Land Question*: "We vex the poor with indirect taxes, we squeeze the rich, we ransack heaven and earth to find some new impost palatable or tolerable, and all the time these hardships going on, neglected or misapplied, there have lain at our feet a multitude of resources ample enough for all just common wants, growing as they grow, and so marked out that one may say they form Nature's Budget. Such seems the rationale of the subject of which the land question forms a part. And so we may say that, if property in land be ever placed on a theoretically perfect basis, no private individual will be the recipient of economical rent."

A. W. M.

A TORY LEADER SPEAKS OUT

Sir Benjamin Dawson, Chairman of the Bradford Conservative Association, made a slashing attack on the Government on 24th April. He had gone to see Leeds housing conditions, after noticing a newspaper advertisement appealing for coal, food, bedding, etc., for the poor: "When I had finished my tour," he said, "I felt thoroughly ashamed of the National Government and thoroughly ashamed of the Conservative Party. How we can allow such abominable conditions to exist is incomprehensible. . . . There is poverty and hunger in the land, yet the Government is restricting the growing of potatoes to keep up the price. There are no words in the English language sufficiently vile to describe this action but I will put it very mildly by saying that it is a diabolical crime perpetrated by the National Government. . . . Why is each nation at war economically with the rest of the world? Because each nation is trying to do something to provide work for its army of unemployed by applying tariffs, quotas, restrictions, etc. If there were no unemployed there would be no need for these trade barriers. The economic wars would end, there would be a free flow of goods from one country to another, there would be friendly feelings between the nations, bringing about the time when there will be no more war or even rumours of war. . . . I call on all Conservatives to press their members of Parliament to compel the Government to take immediate steps to abolish this terrible disease of unemployment. If you have sympathy for our poverty-stricken people you will answer the call. On this subject silence is selfishness."

We hope to give a fuller report next month of this striking speech and to comment on it. Sir Benjamin, who is the senior partner of a large Bradford textile firm, was re-elected Chairman of the Conservative Association. The remarkable thing was that his co-members did not disqualify him after such a pronouncement.

Have you enrolled as a Member of the Fifth International Conference to Promote Land Value Taxation and Free Trade? It is an invitation to all, whether they can be present or not. See page 76.

LAND NATIONALIZATION

Two articles by Professor Orwin in recent issues of the *New Statesman and Nation* have contained a plea for land nationalization and a plan for bringing this about.

The argument in favour is that although there is nothing either unlawful or immoral in private ownership of land, it has outlived its usefulness and is an anachronism and obstruction in the modern state.

In proof of this Professor Orwin draws attention to a number of statutes passed for the purpose of counteracting the evils of private ownership. The Agricultural Holdings Acts are correctly cited for they help to secure the benefit of his improvements to the tenant. But to mention the Land Improvement Acts and the Agricultural Mortgage Corporation in the same category is nonsensical, for these Acts are intended to help landlords by enabling them to borrow money at exceptionally low rates of interest.

It is here that we come to one of the confusions which besets Professor Orwin. He is unable to distinguish between the functions of landlord and capitalist. The capital equipment of the land and soil is deteriorating and is not being renewed. As the landlord will not provide this, the land must be nationalized and the state must provide it.

No attention is paid to the possibility of the farmer providing the capital required, nor does it occur to Professor Orwin that the only reason why he does not do so is lack of security of tenure. This is assuming that there is an economic advantage to be gained from making the improvements, as to which the farmer who stands to gain or lose by his judgment is more likely to make a sound decision than any public official.

The question whether the improvements are economically advantageous or not does not worry Professor Orwin. Mining royalties, buildings values and such like would suffice to subsidize the other parts of the property. One can only say that if land ever is nationalized, and is entrusted to the management of people who hold such views, we shall be setting out upon a road which leads straight to national bankruptcy.

What is the reason for the strange obsession which seems to afflict most writers on agriculture, making them believe that it is both necessary and desirable to subsidize a wasteful and uneconomic use of land? Do these people in their own lives pursue the same policy? Do they use part of their own incomes for subsidizing the growth of agricultural products which cannot pay their way? And what justification can there be for imposing upon a whole people a course of conduct which none of us would adopt in his private life of his own volition?

Now let us turn to the method of nationalization. The proposal is that the State should be empowered to buy land at the landlord's own figure or to use it as a basis of valuation for income tax or local rates. The State could buy or it could tax and the basis of the purchase price or of taxation would be the landlord's own valuation of his property. It is a plausible idea.

We are told, however, that a beginning would obviously be made with the land and property in rural areas and with the undeveloped land in urban areas. The urgent need is to secure national control as soon as possible over all the land in the country which has not already been exploited for building, transport, etc. Now an urgent need is not compatible with a leisurely holding of the landlord in a cleft stick to discover whether he has put too high a value on his land for which he is to be penalized by taxation or too low in which he is to be penalized by purchase. If the need is really urgent the State must buy, and the landlord is under no dilemma for he will put the valuation high. Moreover, agricultural land