

Letters to the Editor

THE TAX DILEMMA

SIR, — How high can taxes go? Dare our government tax us more? Does a Government tax as highly as it possibly can? Is it administratively possible for our government to tax us more highly than at present?

A recent item in *LAND & LIBERTY* prompts these questions. It concerned the case of a builder who had paid tax-free overtime to get his men to work late. He was sent for trial for trying to raise production despite the government.

Obviously the builder's men needed money otherwise they would never have considered wasting their spare-time in work. Obviously the work needed doing. Effective demand was there. Obviously the builder did not mind whom he paid so long as he got the work done.

There were two claimants for the money. The workers and the government. And the workers did not intend to pay the government for the privilege of working longer hours. But what will the workers do to get extra money in the future, now that their employer has been discouraged? They have three choices:

1. Demand higher ordinary-time wages through their Union, with the inevitable ultimate threat of a strike.

2. Take part-time "cash" jobs which are not shown on books or ledgers. (Although private householders may pay less than the official overtime rate the workers may still be considerably better-off through paying no tax on the money. The man who suffers is the employer — the work is not coming to his company.)

3. Resort to burglary or robbery, armed or unarmed.

The government's possible approach to each of these three threats to its power are:—

1 (a.) Print more money to pay the workers and hope they will not notice how much less each pound sterling buys. (It has however been suggested that the government dare not inflate the currency more until productivity has risen sufficiently to cover some of the previous year's inflation. Further inflation would necessitate another official devaluation of the pound and a consequent international exposure of the weakness of the government's position.)

1 (b.) Persuade union leaders not to push for higher wages for their members. This is the "wages pause". But since this puts union leaders under the threat of "the sack" from their members it cannot persist for more than a month or two at a time.

2. Appoint more "snoopers" to report cash deals. This however would be tantamount to spying on every householder and worker in the country. But the government could never afford such an organisation, and unpaid snooping if it were possible, would imply popular support for the government's income tax policy. Needless to say that road was closed long ago — there is no such support.

3. Increase the size of the police force to protect property. Police wages have recently been raised sharply and more dogs are being recruited. In spite of this, wage-snatches occur regularly every week. One was prevented recently by a guard using a gun. It is a safe forecast that soon no policeman or criminal will feel dressed without his gun. Guns are standard equipment in the U.S.A., and still their robbery figures increase. In the U.K. highly paid law experts express surprise at the steady increase in robbery over here. They cannot understand why building workers are not just content to drive their Rolls-Royces around the Affluent Society. But perhaps from a height of £8,000 per annum the failing eyes of an old judge of seventy cannot see small details such as five human beings trying to live in two damp expensive rooms on a total income of £11 a week.

So we have two irresistible forces approaching each other head-on. The workers must have more money to pay for the rising cost of everything caused by rising land rents for factories, offices, shops, etc. The government must have more money for its armaments and welfare services to protect us from Russia and poverty.

Obviously the government has taxed us to the limit. Any more would make tax evasion grow completely out of hand. Perhaps it has already done that. Even the traditional supporters of the government have deserted it as recent by-elections demonstrate.

There is only one further source of cold cash. That is land rent. It must and will be taxed. The temptation and

arguments are too strong to resist.

But will the money thus released be used to raise living standards or will it be stolen from the people and used to fire monkeys round the moon?

Yours faithfully,

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SWORDS INTO SPACESHIPS?

SIR, — A group of economists from all parts of the world have met in Geneva to consider the effect of general disarmament. In their report they say, that "disarmament once agreed upon would be general, complete and rapid," that no country need fear a lack of opportunities for employment, and that by comparison with post-war conversion, total disarmament presented much less of a problem. They assumed that "only 3½ to 4 per cent., of the British and 6 to 7 per cent., of the American labour force would have to find civilian employment," therefore it followed naturally that their approach to a solution involved governmental action and responsibility at national and international levels. The utilisation of atomic energy for peaceful purposes, space research, exploration of the Arctic and the Antarctic for the benefit of mankind, and projects to change the climate of large areas of the world are recommended as sources of employment.

A fantastic document in view of the poverty, industrial strife, and fear of depression that exists throughout the world. They appear to be utterly ignorant of the crying need for a reform of the existing economic order wherein equality of opportunity for individual well-being is negated by the maldistribution of wealth and that some are born to a life of indolence and luxury through the possession of an income from the economic rent of land and monopolistic privilege. Apparently we must continue to be robbed of the rewards of our labour by being taxed to the tune of £43 thousand million in order that governments throughout the world may direct us how to earn a living. Obviously these experts are pessimistic Malthusians otherwise why talk of undeveloped arctic wastes and space research?

Yours faithfully,

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