

question. At a meeting held at Shrewsbury in the autumn of 1924, I mentioned the subject of land value taxation, and Mr. Lloyd George advised that this and other matters should be referred to a sub-committee. I presented a memorandum on this subject, and it was referred to the Executive Committee, and in your issue of 24th November, 1924, the full text was given, and it was added that the committee decided to forward it to the National Liberal Federation for their consideration.

"Further, at a meeting held on 11th January, 1925, in view of the forthcoming Liberal Convention, the committee passed a somewhat similar resolution, and did me the honour of sending me to London to advocate those principles. Thus the Federation are deeply committed to the taxation and rating of land values, but when I proposed a similar resolution* on 23rd January, the opposition was so great that I withdrew it. It will also be noted that the committee passed no opinion as to the Land Committee's policy."

* * *
Mr. James Scott, S.S.C., Liberal Candidate for Kincardine and W. Aberdeen in a manifesto issued on 15th January criticises and condemns the proposals of the Lloyd George Land Enquiry Committee, declaring that among other things they would "entail national loss by the site values of rural land, which were con-

siderable although they vary and are much less than for other land, escaping taxation." He, Mr. Scott, maintains that "a tax on rural land values is just and imperative and would steadily increase supplies of land. As farm-workers got holdings of their own, the wages of other farm-workers would rise by the operation of supply and demand."

* * *
The EXPRESS AND STAR, Wolverhampton (Liberal), 18th January: "When the Liberal land policy finally emerges from the anvil it is to be hoped that the taxation of these values will be wholeheartedly embodied in it. Whatever other changes may be necessary, the taxation of land values is the most direct way of securing for the benefit of the community the wealth which it creates in that way."

* * *
The SOUTH WALES NEWS (Liberal) of 7th January in a leading article declares: "We resent the suggestion that an unknown and self-appointed group has any right to thrust its proposals upon the Liberal Party. Liberals must be free to make their choice, and they can only do that intelligently if given reasonable time in which to form a considered judgment."

*The terms of Dr. Black Jones's resolution were embodied in the statement on the Liberal Land Conference, issued by the United Committee (see page 29).

BUY BRITISH GOODS

Of recent months the fiscal issue has again come prominently into public view, the advocates of protection presenting their hard worked case under many new guises, as has always been their custom. Without doubt there exists a strong undercurrent of sentiment to which the protectionist appeals with every chance of favourable reception. The reason for this is that we live in the artificial environment which results from land monopoly. Not even knowing that the conditions are purely artificial, they are very generally accepted as part of the natural order and men become ready to lend an ear to economic absurdities which they would not for a moment entertain did they recognize their environment for what it is—the product of laws which rob them of their right to use the earth. Being deprived by landlessness of the "right to work," they are abjectly dependent on others for a living, and in this servile condition are ready to believe almost any absurdity which they are told will relieve their distress. They can even be converted to the crowning contradiction involved in protection—that scarcity will bring cheapness.

To show how we can rid ourselves of conditions under which demonstrable fallacies so readily flourish is, of course, the right way and Henry George has brilliantly done it. In that new atmosphere, protection masquerading as "Safeguarding," "Buy British Goods" or any other alias can stand no chance.

But even if we do not go so deep, and take conditions as we find them under land monopoly, these superstitions can be shown up for what they are. "Buy British Goods" is the current slogan and the protectionist effort is to persuade the British public that in doing so he not only helps the trade of his country but also the unemployed man. Is there any truth in the contention? In so far as we are induced by this appeal to pay more for what we need, most commonsense people will agree that instead of improving the demand for British goods and labour we are checking it. But the question remains—what is the effect on British trade and employment when for patriotic or other reason we do no more than give a preference to British goods at equal prices? Perhaps it is an ungrateful

task to disturb the simple faith of so many good people that they really help their country in refusing to buy foreign goods, but the answer must be that no extra employment whatever will result.

Certain members of the House of Commons have of late, been freely contributing to the Press with the object of showing that British industry is hurt and unemployment caused by every order which Englishmen place abroad instead of at home. One M.P. asks us to contemplate the case of a Northampton firm which is in the habit of selling boots to a Glasgow firm and getting Glasgow made machines in exchange. Employment, he says, is thus provided both for Northampton bootmakers and Glasgow mechanics. But the firm ceases buying machines in Glasgow and gets them from Belgium instead, to which country it now sends the boots in exchange. After the change, Northampton bootmakers are employed just as before, but Glasgow mechanics are out of work, he tells us. Therefore "Buy British" and give employment both to Glasgow and Northampton. So runs the Protectionist argument.

But the conclusion is false because the premises are only a partial statement of the case. Our Member of Parliament should surely have taken care to inquire where the Belgians were buying their boots before Northampton butted in and captured the Belgian market. We shall supply the omission. Let us suppose they were previously buying in Germany. The Belgian demand for German boots having now ceased, the German bootmakers are out of jobs, and the new position is that we have unemployed German bootmakers who want machines and unemployed Glasgow mechanics who want boots. In the ordinary course of business these two groups will get together and, ordering from each other, will keep each other employed. Therefore it is not true that when Northampton buys and sells in Belgium instead of in Glasgow, Glasgow mechanics are put out of work. We need not pass sleepless nights fearing that.

We are told that our railway companies are earning high praise because they have decided to place a ban on foreign steel and use British alone. The assumption is that they thus add to the volume of British business and employment. Time and again it has been proved

that this is a delusion, and it is easily shown to be false when the processes of any ordinary transaction are submitted to examination. Protectionists often tell us that free trade is a theory and nothing more, but here let us put the theory to the severest of practical tests.

Suppose a British railway places an order for steel abroad. The foreign manufacturer is paid by a "Bill on London," which (because he only wants his foreign money and has no use for sterling) he discounts at his foreign bank. Ultimately the bank sells this bill to some foreigner who needs English money to pay for goods he has bought in Britain, and finally the bill passes back to the English railway company which meets it on maturity. The circle is now complete, the transaction is now ended, and it will be seen that the British railway by placing an order abroad, *in the very same act places an order at home.* Their British

money has been used to purchase both foreign and British goods. In other words, imports bought abroad are paid for by exports, as they always are and always must be. In stark reality it is impossible for a Britisher to place an order abroad without also placing an order at home, and the belief that unemployment at home results if we buy abroad instead of in our own country is seen to be delusion pure and simple. In acting as they are doing our railway companies are only adding to the grit which our protectionists and "safeguarders" are already pouring into the wheels of commerce. Not "Buy British" but "buy in the cheapest and sell in the dearest market wherever that may be" is the commonsense slogan for all of us, and all we ask is that both sentiment and Government stand aside so that trade may flow in its natural channels.

W. R. LESTER.

THE HOUSING ACTS AND THE SUBSIDIES

The Housing, Town Planning, Etc., Act, 1919—the "Addison" Act—gave subsidies to the local authorities in respect of houses of defined size by paying out of the Exchequer any deficit on a housing scheme over and above the amount yielded by a local rate of 1d. in the £ levied by the local authority.

The Housing (Additional Powers) Act, 1919—also an "Addison" Act—provided a State subsidy to private persons constructing houses within 12 months of the passing of the Act. The operation of the subsidy was extended by the Housing Act of 1st July, 1921, to apply to houses completed before 23rd June, 1922. The amount of the subsidy was at first £130 to £160 per house, depending on the size, but was later increased by £100 in the case of houses begun after 1st April, 1920.

Building under both the above-named Acts has now ceased, except for new houses yet to be completed under the first.

The Housing, Etc., Act, 1923—the "Chamberlain" Act—provided an annual flat rate subsidy of £6 per house (of size defined within certain limits) for twenty years to be paid to local authorities, which can use the subsidy either in building themselves or in assisting private enterprise to build. The local authorities have power to add to the subsidy from local taxation. The subsidy given by the local authorities to private enterprise can be made in three ways (a) lump sum grants, the equivalent of £6 for twenty years being reckoned at about £77; or (b) an annual payment for a period of not more than twenty years to the person by whom local taxation is payable; or (c) periodic payments to a Building or Public Utility Society.

The Housing (Financial Provisions) Act, 1924—the "Wheatley" Act—increased the Chamberlain subsidy of £6 a year for twenty years to £9 a year for forty years (or £12 10s. a year for forty years in the case of houses in an agricultural parish) wherever certain special conditions were complied with—for example, that the increased subsidy could only be given in respect of houses built to let to tenants. Further, to keep rents down as near as possible to the level of rents now paid for pre-war houses, local authorities have to give an additional subsidy of £4 10s. per house out of local taxation.

	ENGLAND AND WALES		SCOTLAND		GREAT BRITAIN	
	Houses completed at end of the year	Subsidies from the Treasury paid in each year	Houses completed at end of the year	Subsidies from the Treasury paid in each year	Houses completed in each year	Subsidies from the Treasury paid in each year
	No.	£	No.	£	No.	£
1919 ..	1,335	20,455	—	—	1,335	20,455
1920 ..	41,593	525,471	1,045	3,000	42,638	528,471
1921 ..	130,335	4,533,229	6,508	94,281	136,843	4,627,510
1922 ..	198,183	7,226,327	17,007	504,669	215,190	7,730,996
1923 ..	216,852	7,786,900	23,423	891,218	230,275	8,678,118
1924 ..	284,521	8,286,372	27,028	1,008,306	311,549	9,294,678
1925(a)	344,274	4,488,222(b)	32,548	921,527	376,822	5,409,977
		£32,866,576		£3,423,001		£36,289,977

(a) To 31st October, 1925. (b) Estimated.

Of the total number of houses built—173,155 in England and Wales and 23,155 in Scotland are subsidized under the Housing Act, 1919. The annual subsidy for these houses averages £45 12s. per house in England and Wales and £42 per house in Scotland. 39,186 houses in England and Wales and 2,324 houses in Scotland were subsidized under the Housing (Additional Powers) Act, 1919, which gave, not annual grants, but a lump sum as a capital payment. The total thus paid out amounted to £9,498,157 in England and Wales and £549,073 in Scotland. These sums are not included in the figure of annual subsidies (totalling £36,289,977) given in the table above.

The remainder of the houses built to 31st October, 1925, were subsidized under the Housing Acts of 1923 and 1924. In the table, the 1923 subsidy is reckoned at £6 per house a year and the 1924 subsidy at £9 per house a year, although in fact, under the 1924 Act, houses in rural parishes are subsidized £12 10s. a year.