

NEW TAXES

Since the beginning of the War, new taxes have been imposed and will be imposed this year as follows:—

Customs and excise on matches and mechanical lighters; on table waters.

Protective duties on cinematograph films; clocks and watches; motor cars; musical instruments.

Duties on entertainments; taxes on motor vehicles.

Licence duties on match manufacturers; on table water manufacturers.

Excess profits duty—really an indirect tax on the consumer, the collection of which is farmed out to the "profiteer in higher prices."

Corporation profits tax.

But no tax on the value of land! A. W. M.

WEALTH PRODUCTION AND NATURE'S LAWS

Address by Mr. Andrew Maclaren

(Prospective Labour Candidate for Wimbledon)

The YORKSHIRE OBSERVER of 27th April contained an extensive report of the address delivered by Mr. Andrew Maclaren on the previous day at a meeting of the Bradford Commercial Club.

Mr. Maclaren defined land as all those things which are in Nature but outside man; by the term labour he meant both physical and mental effort. Wealth was therefore something taken out of Nature, and adapted or combined to meet human desire. Capital was wealth which was not consumed in the ordinary way, but was devoted to the production of more wealth. Land, according to these definitions, was not wealth, but the source from which man by labour secured wealth. Neither were some of the things which functioned as money—such as printed paper, cheques, and so forth—wealth, for these could be destroyed, while the commodities which really were wealth remained.

The wealth produced divided itself under three categories—rent, which went to land; interest, which went to capital; and wages, which went to labour. The natural wage was what labour won from Nature, assuming that labour had perfectly free access to land, which was the source of wealth. Rent was the differential value of land, and was determined by the amount of land open to labour and capital and the number of people anxious to gain access to it. The poorest land in use for economic purposes was called the margin of production, and the excess of inherent productivity of a piece of land over the productivity of the land at the margin was the quality which, translated into terms of wealth, was called its rental value.

Mr. Maclaren would not admit that the term profits was a legitimate economic term—profits must either be interest pure and simple or must be a fund which was made up of interest and rent, interest and wages, or of all three.

It was very curious under these circumstances that the section of the community which owned land should escape taxation in the manner in which it did. They would have noticed that the present Budget proposed to abolish the land value duties, but the duties ought to have been substituted by a simple tax upon land value.

If there was anything which prevented labour and capital from getting at Nature there was bound to be unemployment. It could be shown that speculation in land and land values stopped production. Sometimes unemployment was attributed to over-production, but there could not be over-production of desirable things, and the fact was that in times of unemployment it was not that people did not want commodities, but that they were unable to get the commodities they

wanted. To attempt to remedy unemployment by means of restricting output and shortening the hours of labour would lead to chaos.

The Government was pursuing a method of taxation which was leading to disruption and bankruptcy. One would think, to hear taxation discussed in the House of Commons, that production of wealth was a crime. He was sorry to hear some of his Labour colleagues cheering the increase of the Excess Profits Duty, for the effect of it would be to prevent business men from starting upon new ventures. The whole process of taxation at the present time was vicious, because it was levied on the activities of men in such a way as to discourage production and to encourage speculation in land.

If they were to get rid of the vicious circle of increasing wages and rising prices there must be more production. But it was not enough to say to the worker that he must produce more, for the worker knew from past experience that this did not mean much to him. There must not only be more production of wealth, but there must be a just distribution of wealth before society could be stabilised.

For a solution he suggested a direct tax upon the economic value of land. In view of the rising temper of the more violent section of the Socialist Party of the country it behoved business men to study this question, and to get down to the fundamentals of the problem. The fundamentals of the problem showed that the natural relations between Labour and the land must be restored.

Delegates representing 60,000 Trade Unionists, members of Labour Parties, Co-operative Societies, etc., from Monmouthshire, were present at a Labour Conference at the I.L.P. Rooms, Newport, on 24th April, Councillor Isaac Jones (Bedwellty) presiding. One of the resolutions adopted declared that:

"Pending the complete nationalization of land and minerals, they urge that the basis of assessment of local taxation should be reorganized so as to include mining royalties and socially created land values, including ground rents and all site values."

At the same conference Mr. T. R. Wall (Abergavenny) moved that:

"They call upon the Labour Party to investigate the various Enclosure Acts carried at a time when the people were not represented in the House of Commons. He said that 7,350,577 acres of common land was now privately owned. If this stolen land was taken they could materially improve the housing question."

The proposal was agreed to.—"South Wales News," 26th April.

Mr. Charles Bevan, of Hyde, declares in a letter to the MANCHESTER GUARDIAN of 12th May: "Whilst the Birmingham programme lacks what is an essential element of strength—namely, an all-embracing economic policy—the National League of Young Liberals possesses such a policy. Such economic policy as is included in the Birmingham programme is a mere disjointed patchwork. The N.L.Y.L. stands for freedom of trade (through abolition of tariffs on imports) and freedom of production (through change of the present rates and taxes on production for taxes on land values).

"There is no doubt that the valuation of all land in the United Kingdom would have been completed by 1914 but for the trouble and time required to deal with the thousands of cases where duty was payable, and especially those cases where the duty was in dispute. The valuers had to stop valuation to deal with those cases, and the result was not only to delay the completion of the valuation indefinitely, but to make the valuation department more interested in obtaining duty than in securing a fair, equitable, and correct valuation." John G. Nixon in the "Newcastle Chronicle," 28th April.