

their expenditure to an appreciable extent. It will merely add to the cost of the public services, which cost will fall on the ratepayers. It will become a double indirect tax, which will not achieve the purposes which ought to be served by taxation. It will become extremely regressive and unfair in its incidence and will burden the poorest members of the community to a very great extent.

### THIRD READING

15th August, 1940

MR GLENVILLE HALL (Colne Valley—Labour): Some years ago I took the trouble to examine the speeches of the late Viscount Snowden, who, as the House will know, was Chancellor of the Exchequer 10 years ago. It was very interesting to realise that he began his public career by imagining that most of the inequalities of our social life could be ironed out by the weapon of taxation. Rightly or wrongly—I do not wish to go into it—when at last the Chancellorship was in his hands and he had an opportunity to carry out his views, he obviously came to the conclusion that there was a limit to the amount of taxation which could be levied. What that limit is I do not know, but it is obvious that there is a limit to the taxation which can be imposed. Therefore, it is

necessary that the Chancellor of the Exchequer should seek fresh sources from which money can be raised. I think it is a pity that the Clauses in a previous Finance Act dealing with the taxation of land values were expunged. They would have provided an excellent weapon for the Chancellor to use to-day.

MR SPEAKER: The hon Member ought to have referred to that subject at an earlier stage of the Bill and not on the Third Reading.

MR HALL: I bow to your Ruling, Mr Speaker. I think the Purchase Tax is a bad tax. It bears very heavily on the most deserving poor. It penalises those with large families, and it does not bring in as much as the consumer actually pays. It is levied on the wholesaler, and because that is so the consumer pays more than the actual Purchase Tax which has been put on the article in question. I hope it will not be long before we get another instalment of this interim Budget, and that when we do, the Chancellor will go to fresh sources of revenue, and in a most drastic way will take from those who reap large rewards for very little and see, in the words of the hon and gallant Member for Wallasey, that people who are receiving excessive incomes without any creative effort on their part pay a higher share of taxation, that must be levied in order to carry the war to a successful conclusion.

## “WILL THE WAR MAKE US POORER?”

“FAR MORE poverty and hardship could easily be caused by false economic policies after the war than by the war itself.” We endorse this dictum of the Financial Editor of the *Manchester Guardian* on 8th November, his article discussing the enormous cost of the war, and how, if ever, it can be liquidated. Mr Keynes is quoted for the view that the nation should not be of necessity poorer after the war, and the current issue of the *Banker*, also quoted, analyses this thesis in detail. These writers seem to recognize that the problem of the National Debt is mainly one of annual interest transfers from one section of the population to another, and the traditional view, that the Debt must be taken as a measure of public prosperity, is rejected. When the sum to be transferred from one set of citizens to another is large in proportion to the total national income, then real social difficulties arise.

The *Manchester Guardian* article goes on to discuss the changeover, when peace comes, from war to peace production, the main question being “how long it will take to restore the national productive resources to full efficiency.” As the access to all the primary productive resources is under the control of those who own land, the source of every primary and secondary form of wealth production, the process will take just as long as it takes to find a place for industry in a monopoly-ridden world, with long stagnation ahead; or it will be as speedy as it takes wise statesmanship to remove that monopoly control. It all depends.

The article proceeds to urge the importance of increasing exports by at least one-third if we are to avoid the impoverishment following a reduction of imports which will otherwise be necessary. Industrial development,—the increased production of manufactured goods for exports, in exchange for the food and raw materials bought from other countries,—this is the policy which the writers seek to encourage. They appear, however, to ignore the land question and the taxation question in the scheme of attempted reconstruction. Manufacture is simply the making of things out of materials obtained from land. And those materials cannot be obtained except by arrangement, on terms, with those who own land. Improvements in production—even suggestions of improvements—will raise expectations in the minds of owners of land which will be registered in the estate markets by higher prices and rents. Unless we have an economic policy which provides a check to this speculation in land—and the tax on land values is the only check—then it is indeed possible, as the *Manchester Guardian* says, for far more poverty and hardship to be caused by false economic policies than by the war itself. Every economic policy is a false one which holds out promises of a better social order through improvements in the arts, sciences, education, the production of wealth,

and overlooks the fact that all social improvements enhance the value of land. A true economic policy would be based on this fact and ensure that values created by the community should be enjoyed by the community.

The *Manchester Guardian* Financial Editor returned to this subject the following day, 9th November, apparently with some misgivings that the country would not after all be poorer permanently after the war. “There are many uncertainties in the estimate,” he says. “One is the danger of social disorder. Obviously the measure of contentment or discontent prevailing during the aftermath of war must make a great difference to the recovery of production and income. This will largely depend on the financial policy pursued during the war.” Then follows a discussion of what is necessary to achieve equality of sacrifice fair to all sections of the people. There will, it seems, have to be much interference with and control of man-power, and of civilian production; but again there is no recognition of the rings and privileges which now interfere with and batten upon man power and civilian production. Not more interference but more freedom is demanded. There may well be forebodings of social disorder by writers who stop short of dealing with that equality of sacrifice which would cut at the source of our greatest vested interest—the landed interest. D. J. J. O.

### PENNY PAMPHLETS

- Cities Held to Ransom.—*M.*
- Crying Injustice of our Rating System.—*Verinder.*
- India: Facts, Fallacies and Reflections concerning the Land Revenue Systems.—*Anderson.*
- International Trade, Tariffs and Land Value Taxation.—*Jones.*
- Justice the Object, Taxation the Means.—*George.*
- Land and Taxation.—*George.*
- Land for the People.—*George.*
- Lloyd George 1909-10 Finance Act and its Land Value Duties.—*Harper.*
- New South Wales, Land Value Taxation.—*Firth.*
- Notes for Speakers.—*Pocket Folder.*
- Only Way Out of Unemployment.—*Chancellor.*
- Real Meaning of Free Trade.—*George.*
- Sheffield City Council and Land Values.—*Report.*
- Study of Political Economy.—*George.*
- The Future is to the Gangster—Unless. With Statement on the Rights of Man.
- What is Land Value Taxation?—*Lester.*
- Why the Landowner Cannot Shift the Tax on Land Values.—*George.*