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THE CRISIS AND THE TARIFFS

The Case for Free Trade in its Fullness

MANIFESTO BY THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES

In the belief that the abiding cause of poverty and unemployment is the private appropriation of the rent of land and the withholding of land from use at monopoly prices; that the ever-increasing load of taxation falling upon industry has widened the gulf between rich and poor; that the value of land apart from buildings and other improvements belongs to the community and should be taken as public revenue in place of the taxation now burdening labour and capital;

The United Committee for the Taxation of Land Values, speaking for a well-recognized public opinion, registers its emphatic protest against the action of the Government in suspending the Land Valuation, and postponing the Land Value Tax provided for in last year's Finance Act. The Government is obstructing the operation of the Statute Law which when passed was rightly acclaimed as "the beginning of a great social reform which will some day liberate the land for the people and abolish once and for all the tyranny under which the people in this country have suffered."

It is alleged that the country cannot afford the £1,500,000 already approved by Parliament for assessing the public values of land so that just taxation may be levied thereon; yet the costs of Customs collection alone now exceed £6,000,000 a year. The excuse that the Land Valuation has been suspended on grounds of economy is false and flagrantly dishonest. The truth is that the Government is the ready and obedient servant of the landed interests.

In its Manifesto at the General Election, October, 1931, the United Committee declared:

"The dominating issue is Free Trade or Protection. Long years of unemployment and hard times, and the failure of statesmen and politicians to remove the root cause of the trouble, have given the Tariff advocate his chance. He is making the most of it.

"In the event of the Tory Party winning the Election, neither the Prime Minister nor his associates from other parties will be asked to consider the niceties of any particular Tariff or the question

whether Tariffs may be wise or not. They will be presented with the full Tory programme, and be required to act upon it or leave the Government." It has come to pass.

Mr Chamberlain's Budget is designed to lower the standard of living and entrench special privilege by shifting taxation from the wealthier to the poorer classes. It re-imposes the Tea tax. It ratifies the food taxes included in the General Tariff of February last. It is accompanied by new and heavy impositions of Customs duties under cover of the Import Duties Act. It upholds and develops the system of preferences for the fostering of a spurious and sordid Imperialism. The Budget resolutions have strengthened the powers of the new dictatorship, the Tariff Advisory Committee, extending them to the Free List so that taxes may be imposed on commodities and foodstuffs of any description imported from foreign countries. In a night, Parliament has virtually parted with its control in fiscal matters.

The United Committee denounces the fraud and folly of the Tariffs now being inflicted on the country. A permanent system of Protection is in the making that will close markets at home and abroad, add to prices and ruin innumerable industries. This policy, resulting in the plunder of the consumer, is advanced in the delusion that trade restriction can remedy industrial depression; it is based on the preposterous notion that imports into any country are an injury to the State; it breathes the sentiments of fear and jealousy that embitter international relations and lead inevitably to war.

The Wheat Quota with its £6,000,000 a year subsidy payable to farmers is an undisguised Bread tax. It is a rent-raising Measure. The Minister for Agriculture, Sir John Gilmour, has admitted in so many words in the House of Commons (6th April, 1932) that the benefit of the Quota scheme is destined to go where every similar subsidy has gone, into the pockets of the landlord.

The United Committee pledges itself to work resolutely for the instant and total repeal of the Import Duties Act and all other Tariff and subsidy

legislation; for Free Trade in its fullness—the freedom of production and the freedom of exchange—as the only way to the just distribution of wealth and opportunity. To this end the Committee calls for the support of all progressive citizens in its campaign to liberate natural resources from the bondage of monopoly, to sweep away all tariffs and to secure the public revenue by taxation and rating on the value of land that is everywhere created by the presence and activity of the community.

AFTERMATHS OF WAR. Mr Mellon, the new United States Ambassador, entertained at a Dinner by the Pilgrims in London, 14th April, made the following observations :—

"The economic depression that followed the war was in part the price we paid for war, and must be reckoned apparently as a seemingly unavoidable stage in the sequence of events. He had lived through several crises, and the conclusion he had come to was that they could be traced directly to the dislocation due to wars and their aftermaths. Capitalism had defects, and might be still in its infancy, but it had shown that it could produce an abundance of food and clothing and all the necessities of life, so that our problem was not one involving basic inability to supply the goods needed to satisfy human wants."

It is about time bankers, economists and authorities in general were getting ahead of that "Dislocation": it happened so long ago. As a matter of fact, Mr Mellon has got well ahead of it himself when he states that "though capitalism had its defects, our problem was not one involving basic inability to supply the goods needed to satisfy human wants." In other words, there is no lack of capital to respond to any emergency; and if there should be at any time, through some dislocation, there is all the skill available to produce what is required.

* * *

As Henry George puts it, Book II, Chap. IV :—

"Take wealth in some of its most useful and permanent forms—ships, houses, railways, machinery. Unless labour is constantly exerted in preserving and renewing them, they will almost immediately become useless. Stop labour in any community, and wealth would vanish almost as the jet of a fountain vanishes when the flow of water is shut off. Let labour again exert itself, and wealth will almost as immediately reappear. This has been long noticed where war or other calamity has swept away wealth, leaving population unimpaired. There is not less wealth in London to-day because of the great fire of 1666; nor yet is there less wealth in Chicago because of the great fire of 1870. On those fire-swept acres have arisen, under the hand of labour, more magnificent buildings, filled with greater stocks of goods; and the stranger who, ignorant of the history of the city, passes along those stately avenues would not dream that a few years ago all lay so black and bare. The same principle—that wealth is completely re-created—is obvious in every new city. Given the same population and the same efficiency of labour, and the town of yesterday will possess and enjoy as much as the town founded by the Romans."

* * *

Ten years ago we were passionately told Great Britain was "down and out" because Europe was in rags; and that until this was remedied there could be no improvement at home. This raised the question of what was preventing Europe making good, now that

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the war had ended. There was no answer except so much legerdemain and another Conference.

* * *

"It may take two, three, or four years to make adjustments that will be fair and efficacious, but the system is started and the Government are anxious to do all they can to help industry. Industry will have to do all they can to help their country. Free Traders were very fond of saying that Protection would make for idleness and inefficiency. Let's risk it. We have been idle and inefficient long enough because we have no money. This is no time for pessimism—the reverse."—MR STANLEY BALDWIN, speaking at the Albert Hall, London, 29th April.

The "risk" has been taken and Mr Baldwin has his answer in these official figures for 1932: Number of registered unemployed: March, 2,567,332; April, 2,652,181; May, 2,741,306. There is also the toll of the men, women and children in receipt of poor relief, numbering 1,188,077 for England and Wales in March this year as compared with 1,100,500 in December and 966,938 in June last year. So much for tariffs to "make work" and cure idleness and inefficiency.

* * *

The Archbishop of York, in an Industrial Sunday Sermon, 24th April, said: "If there is only a certain amount of any material commodity the more one man has the less there is for others. You cannot distribute to the citizens of a country individually more wealth than they are producing, at least, not for very long, and there is a tendency in some quarters in the interest of generous aspirations and ideals to ignore such elementary considerations as this."

It was this thought on elementary justice that stirred Mr Lloyd George when he cried out: "Who made one man owner of ten thousand acres and the rest of us trespassers in the land of our birth?" Those were the days when the Liberal Party held a dominant and a proud position in the State. The Party fell from popular favour when it was led out to the regulation of poverty instead of emancipation from it.

* * *

Speaking on the Second Reading of the Wheat Quota Bill (House of Commons, 1st March), Mr T. Williams, Labour, said: "If the Minister for Agriculture were to advertise for 5,000 farmers and advise them to recruit six agricultural labourers each, tell the 5,000 farmers to rent 200 acres each and to guarantee to the landlords £1 per acre for rent, making £1,000,000 in all for 1,000,000 acres; if he were to give the 5,000 farmers the same salary as that received by a Member of Parliament, namely, £360 per annum; if he were to give to each of the 30,000 labourers £100 per annum in wages, that