

NATIONAL TAXATION—AS IT IS, AND AS IT MIGHT BE.

By Frederick Verinder.

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John Bull is taxed upon his income, if he is fortunate enough to earn (or receive) more than about £3 a week, and is asked to make a return, and makes it honestly. As soon as he begins to spend his income he is taxed again. In the prices which he pays for his tea, coffee, chicory, cocoa, cocoa-butter, chocolate, preserved plums, prunes, raisins, currants, figs, and sugar* are included various duties of Customs or Excise. Indirectly, through the sugar-tax, he is mulcted for his marmalade, jam, fruit jelly, bottled or crystallised fruit, glucose, molasses, candied peel, chutney, confectionery, preserved ginger, condensed milk, and so on. If he uses a chemical substitute for sugar, the heavily taxed saccharin may not be imported in parcels of less than a certain weight, or through any but certain prescribed ports. He may even be taxed on the soap with which he washes, if it be transparent soap containing spirit, and on the blacking with which he polishes his boots if it contain spirit or sugar. Unless he is a teetotaler and non-smoker, he is taxed even more heavily upon his beer, wine, spirits, liqueurs, cordials, tobacco, cigars, cigarettes, and snuff. He pays a stamp duty on the agreement or lease when he takes a house, and as soon as he occupies it he is liable for inhabited house duty, assessed upon the gross annual value of the house and its site, as well as for local rates assessed upon their net annual value. If he takes up the profession of a barrister, or solicitor, or physician, or officer in army or navy, he must pay a stamp duty on admission, and, in the case of a solicitor, take out an annual certificate. If he goes into business as an appraiser, auctioneer, banker, house-agent, game-dealer, game-keeper, hawker, pawnbroker, pedlar, dealer in plate, vinegar maker, he must pay every year for a license. Without an annual license he cannot import or produce or sell beer, wine, spirits, cider, perry; or grow or cure tobacco, or make snuff or cigars; or carry out either the importation or manufacture of these things save under continual and minute regulation by Excise officers, acting under scores of Acts of Parliament. Yet if, abominating all these things, he opens a drunkards' retreat, he must pay an annual tax of 10s. per inmate, with a minimum of £5 a year. If he goes into business he has to pay stamp duties of varying amounts on his cheques, receipts, bills of exchange, charter-parties, bonds, contract notes, stock and share certificates, transfers, &c., &c. The document by which he apprentices his son must bear a 2s. 6d. stamp, but he must pay £80 to have

his articles of clerkship stamped if he wishes him to become a solicitor. If he uses collodion, ether, chloroform, naphtha, ethyl, chloral hydrate, spirit varnish, or perfumed spirits, he is taxed on each one of them. The makers and vendors of the sweets he gives his children, or of the patent medicines (subject to stamp duty) he takes in illness, are licensed and taxed. In his leisure hours he plays a game of whist with a taxed pack of cards, or walks out with his taxed dog, carrying a gun license in his pocket. Travelling by rail, he is subject to the railway-passenger duty, except by the cheapest trains; his motor-omnibus or taxi-cab is licensed and is run with taxed petrol. If he sets up a carriage of his own, he is taxed. If he indulges in luxuries, such as keeping a man-servant or using armorial bearings, he is taxed. But the thrifty soul is also taxed on his insurance policy, and if he is very saving he but leaves the more to be taxed, through the estate and legacy and succession duties, after his death.

It would require a much larger volume than the present

for a full examination of the multifarious ways in which the production, distribution, and exchange of wealth are impeded by the method of taxation in force in this country. We boast of our freedom of trade, while every grocer, chemist, tobacconist, publican, and confectioner is still an unofficial tax-collector paying himself for his services.

In general terms it may be said that taxation is *always* destructive in its effects. This is why we are anxious to bring to an end all existing taxes upon wealth—the "goods" (good things) which we all desire in greater abundance and cheapness—and to substitute taxation on land values. This taxation also will be a destructive weapon, but its cutting edge will be turned only against what we should be better without: against land monopoly. A tax on land values will not destroy land, as a tax on boots would destroy boots by preventing their production. The land is indestructible, and, as it is limited in quantity and no more of it can be produced, no tax on its value can possibly lessen its production or diminish its amount.

Even the dreaded bogey of a "tax of 20s. in the £" if it materialised in a Budget, would not frighten a single rood of land out of the country. The only possible effect of well-laid taxation upon land values must be to increase the *available* supply of land, and thus to reduce its rent or price to those who wish to use it.

What, then, will a tax on land values destroy? It can only destroy the monopoly of land, the withholding of land from its best use or from any use at all. On the one hand, it will furnish the means of abolishing taxation which penalises the production of wealth; on the other, it will give us access to opportunities for wealth production which have hitherto been closed against us.



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* The tax upon sugar, as imported, is levied at twenty-four different rates (from 10d. to 1s. 10d. per cwt.) according to the results of a polariscopic test.