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"OUR POLICY"

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

THE BUDGET SURRENDER TO MONOPOLY

"The end is not yet in sight," says the King's Message to the nation. This being so, it follows that the end is in sight of the Britain that was, the Britain in which freedom of trade mitigated the evils of land monopoly, and in which wealth so abounded that, despite most inequitable distribution, close on fifty million people managed to subsist within its narrow bounds. The Britain that boasted of progress by way of reform, that knew not the class war or the cult of revolution, the Britain whose people had been lifted, decade by decade, from the abyss into which the Napoleonic wars and the concurrent appropriation of the common lands had plunged them.

The National Debt, despite doubled taxation, is now increasing at the rate of £1,500,000 a year. Were the war to cease to-morrow with the loss of such incidental revenue as that from the war profits tax and with the obligations incurred for pensions and with expenditure related to war that must continue long after the cessation of hostilities, it may be said that the present taxation would not more than suffice to meet current expenditure, interest, and redemption on the new debt. So at least it may be said that at the end of the financial year, that is to say, of March next, every day, with its expenditure of £5,000,000, will carry with it to the future the need for taxation in excess of the present scale. And not alone will the State have to face the problem of allotting the burden to a war depleted community, but also with that of adjusting it so as not to cause further depletion through the exodus of those anxious to escape the aftermath. If the burden be placed upon industry, and if former restrictions imposed by monopoly on the production of wealth be maintained or extended, the assured fate of Britain is bankruptcy, with despotism established to crush civil strife.

And it is at this moment, when the immensity of the financial problem is avowed and when its fateful bearing on the future is fully discerned, that the Government has chosen to discard the principle of Free Trade, and through the mouth of its Chancellor of the Exchequer deride those who protested in vain. The attempt to disguise the surrender to the Tariff Reform members of the Cabinet by calling the duties on cheap American motor cars and motor cycles and upon pianos and penny whistles and films, "sumptuary laws" to check the consumption of luxuries, and by urging that their imposition would help to rectify the exchange with America, was exposed as a miserable subterfuge in the course of the debate. The plea that the duties under present conditions would not be protective was shattered by the production of the lists of local manufacturers, who, from the introduction of the financial resolutions imposing the tariff, had promptly raised their prices by the amount of the duty. The system of taxation for private profit has been inaugurated, a beginning has been made of the undoing of the work of Cobden, Bright, and Gladstone. The significance of the duties is to be found in the fact that they provide the only permanent new source of revenue opened up in the great war Budget. As further revenue is required the prospect is that the tariff will be extended and Protection re-established in Britain from its historic origin here, as elsewhere, in war. Before the introduction of the Budget a newspaper announced that Mr. Austen Chamberlain was assisting the Chancellor of the Exchequer to frame it. Another Budget will be due in April. Mr. McKenna might appropriately make way for the member for West Birmingham, if he proposes to continue as he has begun.

While the outstanding feature of the Budget is that it extends monopoly and creates a privileged class authorised to levy for private gain on the community, it also makes more onerous for the masses the existing forms of taxation. From sugar an additional £11,700,000 is to be raised, from tea £4,500,000, from tobacco £5,100,000. This additional £16,200,000 on tea and sugar, it must be borne in mind, is not to meet a revenue demand that will cease with the cessation of hostilities. Relief for the poor will not come automatically with peace.

Nor is the burden on the masses confined to the taxes on articles of consumption acquired over the counter. The increased taxation on houses under Schedule A of the Income Tax, being a tax on a labour product and having the same incidence as a rate, is being transferred to the user of the house, and from all quarters is coming the outcry against a rise in rents. This result of improvement taxation has been accentuated by the Government's loan policy. The City had to be tempted to lend by the Government raising interest to 4½ per cent. and a rise in the rate of interest for capital lent on mortgage has naturally followed, which, in the case of house property, is payable by the tenant. So in borrowing and taxing, the cost of the war is being passed on to the masses, and a tariff has been initiated that carries with it the probability of extension to the further impoverishment and enslavement of the people.

"The end is not yet in sight," runs the message of the King. The life of the last man is demanded, the last shilling is being taken from the poor in taxation. But of one class not a penny of special contribution is demanded, and no special sacrifice is required. £16,200,000 of additional taxation upon tea and sugar, but not one penny upon land to pay for its defence. The land of Britain is held from the Crown, and the first call should have been upon its vassals to take up their ancient obligation to find men and money for war.

Speaking in the House of Commons (April 2nd, 1690) to a resolution "that the supply be not raised upon land-tax, Mr. Swynfin said: "As to arguments against land-tax, I have been here the best part of twenty years, and all the projects would never do; the way of our ancestors has always been upon land, and they abhorred excise and all other projects. . . . I am not for saving our lands to enslave our persons by excise." In 1692 the land tax was fixed at "4s. in the pound on the true yearly value of real property."

But to-day, in the hour of peril and need, we are called upon to "enslave our persons" whilst the land is saved from taxation. In these days, when all is being cast into the melting-pot, the land monopoly alone stands sacrosanct, the ark of the covenant on which no impious hands must be laid, the treasure-house of which the door has been "banged, barred, and bolted," leaving the Chancellor of the Exchequer to finance war by levying, *inter alia,* upon the 5s. a week of the Old Age Pensioner. And whilst the Chancellor of the Exchequer was framing his Budget a colleague in the Cabinet was holding a great sale of farm lands and obtaining phenomenal prices!

The occasion is one that requires to be plainly dealt with. The Chancellor of the Exchequer is unable to plead that the taxation of land values cannot be considered because it is controversial. In his Budget, by levying protective duties he has adopted a fiscal measure which is only non-controversial because condemned at three general elections. On the other hand, land value taxation has been demanded twice by the electorate. Nor at a time like this can the Chancellor of the Exchequer fairly ride off on the plea that valuation is incomplete. If he had wished to tax land values he would have got Parliament to amend the valuation law, and instead of discharging 2,000 valuers, would have set them to complete the work in hand with the utmost expedition. An easy and speedy method could also be adopted to supplement the work of the land valuation department. The landholders could be called upon to supply the data requisite to complete the valuation. A National Register of flesh and blood was quickly compiled under compulsion, and a register of land value could be as expeditiously obtained. This is precisely what is being, or has been, done in Australia. When the Commonwealth Government enacted a War Census it provided for two schedules. The first, a register of manhood. The second, of wealth. In the latter the following information is demanded:—

(A) Unimproved capital value of land.
(B) Value of all improvements, including houses and buildings thereon.
(C) Unimproved capital value of leasehold land.
(D) Value of all improvements, including houses and buildings thereon.

Nor were a horde of agents required for the work, as those affected were compelled to go to the nearest post office and secure the Census forms. Our National Register was quickly forced through Parliament and rapidly compiled under the pressure of the Conscriptionists. Mr. Walter Long, the representative of the Tory landowners, had no difficulty in adjusting his department to the work. What he accomplished with a view to conscripting men the Chancellor of the Exchequer could easily achieve for the purpose of conscripting in part the communal value of land. But patriotism stops short of entrenchment upon the domain of land monopoly. Our Junkers grow rich on the spoils, the good old days of the squire's toast "A long war and dear bread" have returned, and they have seen to it that the profits tax shall not apply to the enhanced profits from agricultural land due to the rise in the price of food. Nor have the monopolists even been compelled to allow their grass lands to be ploughed up to provision the nation. Last season the area under the plough actually diminished. And this when tenants are pleading for relief from the restrictive covenants of their leases which forbid the ploughing of grass land.

The Chancellor of the Exchequer introduces a protective tariff to rectify the exchanges by reducing imports from America in the matter of some American motor cars and films. The problem, as he dealt with it, is not related to the purchase of munitions but of commodities, in the main, of wheat. By compelling the full utilisation of British soil he would have gone far further to check imports from America. But Free Trade must be scrapped rather than compel the monopolist by taxation to unlock the land. So over the whole field of necessity created by war, land monopoly bars the way to the satisfaction of national need.

To realise the gravity of the situation we have again to recall that the "end is not in sight," and that up to date, colossal borrowing and profligate expenditure of the proceeds has created an equilibrium which is only temporary and cannot be maintained. The fact that in America we have had to pay within a shilling of six per cent. for accommodation indicates that along these lines the nation is mortgaging its future beyond redemption to the financial trusts. Old sources of revenue are within sight of exhaustion. Another Budget of increased taxation is due in April. Is the tariff to be extended, or is land value to be taxed? That is the fiscal issue that confronts the nation and on the determination of which the fate of this and future generations depends. For, let no one imagine that the taxes placed on the Statute Book now can be swept away if needs be when hostilities cease. To-day the democratic forces are being disrupted and the Coalition signifies a union that will be perpetuated in one form or another to suppress the agitations that will be provoked by poverty and despair. Every endeavour should be made in the coming months to secure that the Government shall be confronted with a demand that land shall make a special contribution based on the historic obligation, "the way of our ancestors has always been upon land." It is vain to look to those who have high position by virtue of past adherence to this cause. One way alone gives prospect of effect, namely, to bring the community to realise that, in order to spare monopoly, the enslavement of the people is being accomplished, and that return from the battlefields of those who went to fight for freedom will be a return to a land enclosed against them.

R. L. O.

The Finance Bill Debate in the House of Commons last month on Free Trade and Taxation should be taken advantage of by our readers and friends throughout the country to spread a knowledge of Henry George's great work,

PROTECTION OR FREE TRADE.

To be obtained from the offices of the United Committee, 11, Tothill Street, London, S.W., and from the Associated Leagues. Price (paper cover), 6d.; (cloth), 1s. 6d.