

LAND & LIBERTY

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THE BUDGET

THE BUDGET introduced by the Chancellor of the Exchequer on 7th April contemplates an expenditure of £4,207 millions of which £3,500 millions is expenditure under the votes of credit for carrying on the war. Nothing is included in these figures for the value of supplies from the United States under the Lease and Lend Act nor for payments under existing orders in that country.

The amount which is to be raised in taxation is £1,786 millions, leaving a balance of £2,421 millions to be met by the creation of debt.

The figures of expenditure and receipts both exclude the so-called self-balancing revenue and expenditure, namely the cost of the post office and broadcasting which are met out of post office receipts and wireless licences, and are estimated at £99 million.

Although the estimated expenditure is £323 millions more than last year's figure, revenue is estimated at £377 million more, and the balance to be met by borrowing is reduced by £54 million. This is a slight improvement.

The most remarkable feature of the budget is that the only new taxation imposed is an increase in the income tax. This is probably the only instance in which a large increase in expenditure has been met without the imposition of commodity taxation. Reckoning income tax (and sur-tax), estate duties and excess profits tax as direct taxes, we find that 63 per cent. of the revenue will come from direct taxation.

Although the budget is far from being framed upon the lines which we should like to see adopted, it does open out a possibility of an eventual reform in our system of taxation of a far-reaching and radical character.

When the war is over and the national expenditure and taxation can be reduced, the opportunity should be taken to abolish first the taxes which are most unfair and oppressive. Leaving aside the taxes upon liquors which may be controversial upon grounds of policy, there is £383 millions of customs and excise duties which might be abolished with great advantage to the poorer taxpayers and encouragement to trade and industry. Included in this figure are the purchase tax now estimated to yield £70 millions which is the most objectionable recent addition to taxation, and the protective tariff which is not only fiscally unjust, but which leads to the creation of trusts and combines, and is injurious to amicable relations with other countries. There will also be a demand for reduction and readjustment of the income tax, especially upon the lowest ranges of income.

After the war there will be an unprecedented demand for the expenditure of money upon all those things which are comprised under the vague term "reconstruction." Some of these demands upon the government or other public authorities will be of real urgency. The provision of new houses to replace those destroyed

and the rebuilding of schools and hospitals are examples. If the money spent upon these things is to be raised wholly or largely by indirect taxes, or even by direct taxes which impinge harshly upon the earnings of the people, then there will be frustration of our hopes of social improvement and a bitter and dangerous disillusionment. The war has imposed heavy burdens even upon the poorest of our people as well as causing them to run grave dangers of life and limb. That may be excused as inevitable in the circumstances of the war, but it could not be defended when peace is restored, for it would throw doubt upon the whole purpose of this struggle.

If then our system of taxation is to be improved by the elimination of its most burdensome features and at the same time sufficient revenue is to be found to meet the continuing costs of the war and the needs of post-war reconstruction, some other source of revenue will be required, and the taxation of land values is the means of making them possible.

In making this suggestion we do not abate our demand for immediate action, nor our claim that the taxation of land values is a just and beneficial means of raising public revenue at all times. What we do emphasize is that in any event the readjustment of taxation which must take place after the war shall be used as a means of accelerating the reforms which should be made, and that our legislators should not supinely allow the country to slip back to the pre-war position.

Such a policy will fit in with the needs of the situation after the war; it will prevent speculation in land values; it will ensure that land can be had for housing and productive purposes upon reasonable terms; it will encourage internal and international trade; and it will facilitate the transition from war economy to peace economy.

"PUT THAT IN YOUR PIPE AND SMOKE IT"

"Mr Walter Melville Wills, one of the directors of the Imperial Tobacco Company, left estate of the value of £4,317,360 so far as can be at present ascertained." So reports *The Times* on 30th April. The *Star*, of the same date, states that £2,800,000 duty had been paid on the estate, and recalls that in 30 years members of the Wills family have left almost £40,000,000. Out of 11 fortunes of over a million pounds each since 1909, George A. Wills left £10,000,000, H. O. Wills over £5,000,000, Sir Frederick Wills over £3,000,000, and Frederick N. H. Wills over £5,000,000. Here is a glaring illustration of the evils of indirect taxation. Tobacco is perhaps the most heavily taxed commodity in general use—more general than ever, since the ladies joined the gentlemen in their after-dinner smoke. Every tobaccoist is far more a tax-collector than a seller of tobacco. The method by which the tax is imposed and collected not only compels the smoker to pay far more for the "weed" than it is worth, even when the Chancellor's share of the price is taken into account, but it tends to make, and actually has made, the manufacture of tobacco into a very profitable monopoly, out of which the Wills family and many others are making huge fortunes. The Wills millions are a by-product of the fundamental monopoly—land monopoly. For indirect taxation—"the method of getting the greatest number of feathers off the goose with the least amount of squawking"—was only imposed in this country when the land-holders relieved themselves of their duty of supporting national and local services. There will be no Tobacco Kings when land value taxation and rating takes the place of taxes on tobacco, tea and other articles of almost universal consumption.