

roads and other emergency works in relief of unemployment, as has been suggested, it would be necessary to impose a kind of dictatorship upon all investors—which means, in effect, upon all who make any savings—in order to prevent their savings from being invested where they are either safest or most profitable. But, as has been stated, a dictatorship of investment was precisely what was tried on the Continent and completely failed.

In connection with the raising of money for the purposes of making new roads and other emergency works in relief of unemployment, it is important to keep in mind that the effect of such work would be to stabilise the existing high costs of manufacture and add unnecessarily to the burdens of local authorities. If works of this description are to be undertaken, they should be undertaken on an economic basis and not on the present uneconomic basis.

It follows, therefore, that high taxation and heavy national and local expenditure upon purposes which do not produce an adequate return on the capital expended must result in a higher cost to Industry of the capital which it needs. That higher cost eventually has to be handed on to its customers and there must soon come a point at which the customers will refuse to pay these increased charges because they are able to obtain similar goods more cheaply in other countries.

This effect of high taxation upon Industry was insisted upon in the Report of the Management Committee of the General Federation of Trade Unions to which reference has already been made.

In this connection it may be useful to recall that the high rate of taxation falling upon individuals owing to the fact that the total taxes levied are not evenly distributed, not only reduces their ability to lend money to Industry, but also diminishes their disposition to save at all. As already pointed out on page 22, they become more disposed to employ their money for the purpose of luxury articles which otherwise they would do without.

But a day of reckoning must surely arrive.

It may be useful to refer to the increase in national expenditure which is shown in Table appended "I".

It has been shown from the Report of the General Federation of Trade Unions and otherwise that, in fact, owing to high taxation, capital either is not available to Industry or is only available at increased rates.