

SIR, — With reference to the cartoon of the March & April issue, you may be pleased to know that I have always asserted that "It's the traditional theories that have enduring values" or words to that effect.

What upsets me, (and I write more in sorrow than in anger), is the wide acceptance of new fangled theories that manifestly will not stand up to unprejudiced examination and common sense.

For example, most people seem to have allowed themselves to be brain-washed into no longer believing the traditional theory, that the sun goes round the earth. Indeed, it is not so much a theory but more an observable fact, for as Bernard Shaw's St. Joan asked of those who questioned it "Couldn't they use their eyes?"

Not only is it asserted, in contradiction to simple observation, that it is the earth that goes round the sun, but against all logic it is also asserted that the earth is round.

Anyone who can believe that will surely believe anything. For obviously if this were so those on the top half would be right side up, but those on the bottom half would be upside down and *ipso facto* would of course fall off.

I am sticking to traditional theories and remain,

INDIA SATORIA
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**JUSTICE THE OBJECT
TAXATION THE MEANS**

SIR, — John M. Kelly's discussion of the basic issue of who owns the face of the earth in his article on *National Land Use and Land Rights* (March/April LAND & LIBERTY) is well put and to the point. It is obvious that justice demands—indeed the hope of carrying out the American dream requires—that all men have equal access to the biosphere. (In case women's libbers are reading this, be it noted that "men" refers to members of the species, Homo Sapiens, without regard to gender).

I wish to point out how clever and viable Henry George's solution is. His solution takes the problem out of the realm of basic land tenure philosophy and places

it in the realm of tax philosophy. It accomplishes equal access without the necessity of disturbing a single land title. For it is already established that, whether my land title takes my claim back to the divine right of Charles II or only to the fact that my great grandfather cleared the land and made his payments to the land office, in either case my title is subject to seizure by the government if I fail to pay taxes levied against the property. The mechanism for operating a land tax system is there and waiting. My land title is secure as long as I pay my property tax, be it based on the land value alone or on my buildings, too.

The problem is that the consequences of full land-value taxation are best understood by those who stand to lose their gravy train: the land speculators and the natural-resource exploiters.

One further note: the Georgian plan will work well only if there is a government that is truly "of the people, by the people and for the people" to collect the land rent on their behalf.

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THE NEW MONOPOLISTS

SIR, — Our countries seem to be torn asunder by selfish elements—even unions fighting each other. They are supposed to be very hostile to monopolies, but in practice they are the most jealous monopolists in existence. Their only concern is who is to enjoy the booty.

It would seem to me that industrial monopoly is much less wasteful than that of the unions, with their disruptive practices.

ERIC STANDRING
Western Australia.

FRANK McEACHRAN

SIR, — As I was flipping through the pages of LAND & LIBERTY this morning the first thing that caught my eye was the familiar picture of Frank McEachran. I met Kek in 1968 at the International Union conference in Wales.

I was privileged to converse with him and obtain his autograph in a copy of *Freedom the Only End*.

The convergence of our philosophy gave me a particular feeling of kinship for this great man. I remember well the sensation I experienced when I originally read the serialized book in LAND & LIBERTY. What I read were my own thoughts which I, had I the ability, would have written with my own pen. The book gave me something more — hope and encouragement. He wrote that "... there is a structure (to the economics of man), a beautiful one, friendly and helpful to mankind, and the world is a garden, not a wilderness." And for those of us who share his philosophy but despair at our apparent lack of progress he wrote, "I am spurring men on not to revolution, but to evolution. History cannot be hurried. Philosophers are needed who will work slowly but surely towards an end that is not near but remote, and yet one that will come only if they work towards it."

Yes, I believe Frank McEachran was a truly great man. He did not need to write voluminously to express his ideas. He did it quite well in a little book of 126 pages.

In the last chapter of *Freedom the Only End* he writes a few lines which embrace an enormous philosophical and economic concept: "All that is needed is a mechanism to collect the rent of land and redivide it among the community. Can we credit a prosperous and active society with enough gumption to perform this last service; to create a mechanism with no power but to follow the market—with just arrangements for leases, with no function except to return the rent to the public; with ample wages to remove temptation? This is the ultimate problem."

And it is the problem which we must address ourselves to solving. We do not have now any government so structured which can perform without dangerous unchecked power. There must be other ways in which society can act in concert which we have not yet found.

Aristotle correctly predicted that republics change to democracies which in turn degenerate to despotisms. We tried many democracies but we've not yet found the answer. "Our doctrine is a tremendous one of negation, which says to the State 'so far and no further'."

Those who share a common belief in the economic and philosophical writings of Frank McEachran should discuss a way to build a perpetual memory to this great man. He took up the banner where George left off and now it remains for another generation to continue the search for the questions he leaves unanswered.

CHARLES E. BYRNE
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DEBASEMENT OF LAISSEZ-FAIRE

SIR, — In her letter in the March & April 1976 number Mrs. Marie McCrone states that Pope Leo XIII in his Encyclical "was concerned to condemn "*laissez-faire*" economics, and the political system of socialism which was a reaction to it."

The furthest back I have been able to trace the famous slogan "*laissez-faire, laissez-passer*" is to the French economist and merchant Vincent de Gournay who uttered it when addressing an assembly of physiocrats in 1742 as a protest against the monopolistic trend in manufacture and trade, allowing a favoured few to take tribute from their fellows.

"*Laissez-faire*" did not then mean to let things drift aimlessly, but it denoted liberty to produce, just as "*laissez-passer*" meant free trade.

The physiocrats also proposed an "*impôt-unique*", single tax, on land, but the monopolists got the proposal quashed, and Turgot dismissed as Minister of Finance, in 1776 on the brink of the French Revolution which became a failure, although inspired by a Declaration of that same year, whose authors had learnt in France. Whether this 1776 Declaration and ensuing Revolution, will be a success, still, after 200 years, remains to be seen. Now that the world is becoming technically one, they might

be a blessing to it.

Socialists should agree to an attempt being made with land-value taxation. It is the first item of their famous Manifesto. If they would leave matters at that until they saw the result, they might be astonished to find what would "come to us as well". Instead, they are in full swing with the subsequent items of the Manifesto, such as increased personal taxes, abolition of the right of inheritance, centralizing in the state of credit, transport, manufacture, and means of production, etc.

OLE WANG
Norway.

MONEY AND GOLD

SIR, — If Mr. Smedley wants to stop this correspondence, he should not advance fresh argument. He writes that I have not grasped the idea that gold might once again be used as money. I am sure that gold will never again be used as money. Fifty years of propaganda have at last convinced governments that the volume of gold in existence is so small compared with the amount of paper money in circulation that only a great rise in the price of gold would make conversion of paper money into gold possible. And any gold price so fixed would be out of date, and restrictive, almost as soon as it was enforced.

Mr. Smedley also wants to know what would happen to the price of gold if sellers refused to sell. The reply is of course that the price of gold would rise until people were tempted to sell gold. The really important consideration is that the circulation of our money, paper money, should not be throttled by scarcity of gold. Gold is necessary only to maintain trust in the paper money, and for this purpose it is essential that the paper price of gold be free to follow the fluctuations of a free bullion market.

I have now looked at Mr. Smedley's new book. Our present note-issuing system was established by the Bank Charter Act of 1844. I will leave your readers to decide whether the account in my "Free Banking" of the circumstances that led up to that Act is more plausible than Mr. Smedley's.

HENRY MEULEN
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Unsubtle Steps to Marxism

THE small businessman pays 43p in every pound he earns over £1,600; he makes fewer demands on the Welfare State than anyone else; but he is an unpaid form filler for the State; tax is going to kill his business; and he is being prevented from handing it on to his children.

These points are made by accountant and Liberal candidate Michael Minter in his booklet, *Death by Taxation: The threat to the smaller firm**

Mr. Minter says independent businesses are being taxed and controlled out of existence by the present system. The trend of legislation, and particularly our tax laws, over the past ten years has been to place the small businessman at a disadvantage compared with his counterpart with the large commercial enterprises, he adds.

A man who chooses to be his own boss has to forfeit 43p in every pound earned over £1,600 because of the combined effect of income tax and the higher rate—eight per cent—of national insurance contributions he has to pay.

He defends "the lump" in the building industry—"self-employed craftsmen who value their independence." From this year they have to carry identity cards, with a photograph, in order to obtain work. "The cards may be issued or withdrawn at the whim of the local tax inspector. Beware, you who are self-employed! How long will it be before Big Brother treats you all in this fashion?"

If the head of a family business wishes to transfer it to his children he will have to realise his assets to pay the capital transfer tax. "All he can sell is a share in the business. But who will buy a minority share in a small private company? In the end he will almost certainly have to sell a majority holding, i.e. the family business will be swallowed up in a larger enterprise."

*Aims for Freedom and Enterprise, PO Box 443, 5 Plough Place, London, EC4P 4LS. Price: 25p.