

## LAND & LIBERTY

PUBLISHED BY THE UNITED COMMITTEE FOR  
THE TAXATION OF LAND VALUES, LTD.  
Forty-sixth Year.                      Established June, 1894.

By Post 2s. 6d. per annum.

Editor: A. W. Madsen

Assistant Editor: F. C. R. Douglas

34 KNIGHTRIDER STREET, LONDON, E.C.4

Telegrams:

"Eulav, Cent., London."

Telephone:

City 6701.

Postage on this issue is One Halfpenny.

NOVEMBER, 1939.

### WAR AIMS AND PEACE AIMS

THE DEMAND that our war aims should be formulated is natural and inevitable, but is this the way that the question can be best put? The war aims of any country are simply to win the war. The real question is what are our peace aims. What picture have we in our mind's eye of the world after the war is over? That is the essential question. It does not follow that we can obtain immediately what we desire, and the ultimate realization may be deferred to long after the war is over. But if we do not know clearly what we wish to achieve, it is clearly impossible to decide whether the cost in life and material things of the present struggle is worth while. If we do know what we want, we can then decide whether a sufficient instalment of it can be got to make it worth while to abandon the war, whether the remainder is worth the additional sacrifice of prolonging the war.

The necessity for formulating our peace aims is in itself an admission that the terms upon which peace was maintained before the war were unsatisfactory. Those who demand that the Government state its aims must also acknowledge to themselves that before the war started there were wrongs in the world that cried out for remedy. It is easy, but most superficial, to blame the war upon "one crazy man." The question still remains: how came it about that the power was vested in one crazy man to throw the nations into conflict?

The causes of the present war stretch out into past history long before the time when the present ruler of Germany came to power. Since 1918 we have had the new frontiers created by the peace treaties, followed unnecessarily by new tariff barriers, reparations, the world-wide economic crisis, the disastrous attempts of all countries to stem the crisis by still further restricting trade and production. Not one country but all countries in greater or less degree have been to blame in these matters. Their peoples have suffered from poverty, unemployment, and constant anxiety about their livelihood. Can we be surprised that when their governments have not had the wisdom to lead them out of these troubles they have in some cases fallen the victims of wild and desperate expedients?

No doubt there have been other than purely economic causes at work, but the economic environment is the most powerful determinant of human action and it is the thing which is most easily susceptible to correction. We cannot feel satisfied if the war eventuates merely in an armed truce, whether it be called the balance of

power or collective security or by any other name, while economic conditions remain as they are.

The first thing that the governments of all countries must realize is the futility of trying to split up the world into self-contained economic units. That is the method of war, of blockade and counter-blockade, but it is not the method of peace. They have got to recognize that specialization of industry and division of labour is not a local or national matter, but that it must extend over the whole world if the peoples of the world are to have comfort and abundance. Some of our leaders talk of economic co-operation as if that were something to be achieved by some collaboration between governments; what is really needed is the abandonment of economic obstruction as practised by tariffs, quotas, prohibitions, exchange and currency manipulation, and other devices which prevent men from exchanging the goods and services which they produce.

The reluctance of the British and French Governments to formulate their aims can in one respect be understood. It would indeed be unwise to pledge themselves to do something which they found eventually required such sacrifice as to make it impracticable. In that respect we may hope that they will continue to act with prudence. Their difficulty in this respect is clear so far as questions of frontiers and political rehabilitation of invaded countries is concerned. But that difficulty does not exist so far as economic questions are concerned. There is nothing which prevents the British and French Governments from making a declaration in favour of freedom of trade, except the fact that they do not believe in it. If they did believe in it they would already have been practising it themselves, and their example would have gone a long way towards encouraging other countries to follow the same course. There is not a thinking man in Europe, who is capable of understanding the comparatively simple economic issues involved, who does not know that freedom of trade is the best course for any country to pursue and that the more it is practised the more remote the possibility of war becomes. There is nothing, we repeat, to prevent any government from making a declaration in this sense except its own lack of understanding of and disbelief in such a policy.

Freedom of trade is that branch of economic policy which bears most directly upon international relations but it cannot be separated from the still more fundamental problem of freedom of production. Freedom of production involves not merely the question of access to colonial resources and raw materials but the whole question of "lebensraum" as the Germans call it. Nothing can be clearer than that the production of wealth necessitates access to the land as source of raw materials, as the basis of all forms of animal and vegetable husbandry, as site for dwelling and as site for manufacture and trade. It is equally clear that no country has yet established a system under which its citizens are equally entitled to access to opportunity to make use of the physical basis of life. Existing systems of regulating property in land result both in land being left unused or imperfectly developed and in some citizens being obliged to pay others large sums for permission to use the earth. Hence the illusion of overpopulation and that its remedy is to be found in conquest.

The tariff question and the land question are indissolubly interlinked. Tariffs cannot be abolished unless other sources of revenue are found. If those other methods of taxation hinder production and despoil the worker, they result in grievous injustices. The land question cannot be solved unless the value of land is taken for public revenue, so that some persons do not profit by the labour of others nor have it in their power

to hold valuable land out of use without paying over its value to the community.

The solution of these problems therefore rests with the governments and the peoples of each country. It is for them to declare their aim of solving them, and in so doing of ensuring both the prosperity and happiness of their own peoples and the peace of the world.

F. C. R. D.

## PUBLIC DEBT AND TAXATION

THAT, IN spite of the progress of civilization, Europe is to-day a vast camp, and the energies of the most advanced portion of mankind are everywhere taxed so heavily to pay for preparations for war or the costs of war, is due to two great inventions, that of indirect taxation and that of public debt.

Both of these devices . . . spring historically from the monopolization of land, and both directly ignore the natural rights of man. Under the feudal system the greater part of public expenses was defrayed from the rent of land, and the landholders had to do the fighting or bear its cost. Had this system been continued, England would to-day have had no public debt. . . . But by the institution of indirect taxes and public debts the great landholders were enabled to throw off on the people at large the burdens which constituted the condition on which they held their lands, and to throw them off in such a way that those on whom they rested, though they might feel the pressure, could not tell from whence it came. Thus it was that the holding of land was insidiously changed from a trust into an individual possession, and the masses stripped of the first and most important of the rights of man.

The institution of public debts, like the institution of private property in land, rests upon the preposterous assumption that one generation may bind another generation. . . . Public debts are not a device for borrowing from the future, for compelling those yet to be to bear a share in expenses which a present generation may choose to incur. That is, of course, a physical impossibility. They are merely a device for obtaining control of wealth in the present, by promising that a certain distribution of wealth in the future shall be made—a device by which the owners of existing wealth are induced to give it up under promise, not merely that other people shall be taxed to pay them, but that other people's children shall be taxed for the benefit of their children or the children of their assigns. . . .

Of all these great national debts that of the United States will best bear examination; but it is no exception. The wealth expended in carrying on the [American Civil] war did not come from abroad or from the future, but from the existing wealth in the States under the national flag, and if, when we called on men to die for their country, we had not shrunk from taking, if necessary, nine hundred and ninety-nine thousand dollars from every millionaire,\* we need not have created any debt. But instead of that, what taxation we did impose was so levied as to fall on the poor more heavily than on the rich, and incidentally to establish monopolies by which the rich could profit

\* The concentration of capital is the child of land monopoly.—Henry George, at the International Congress on the Land Question, Paris, June, 1889.

If the size of fortunes is taken into account, it will be found that perhaps 95 per cent of the total values represented by these millionaire fortunes is due to those investments classed as land values and natural monopolies, and to competitive industries aided by such monopolies.—Professor John H. Commons, *The Distribution of Wealth*, p. 253.

at the expense of the poor. And then, when more wealth still was needed, instead of taking it from those who had it, we told the rich that if they would voluntarily let the nation use some of their wealth we would make it profitable to them by guaranteeing the use of the taxing power to pay them back, principal and interest. And we did make it profitable with a vengeance. Not only did we, by the institution of the national banking system, give them back nine-tenths of much of the money thus borrowed while continuing to pay interest on the whole amount, but even where it was required neither by the letter of the bond nor the equity of the circumstances we made debt incurred in depreciated greenbacks payable on the face in gold. The consequence of this method of carrying on the war was to make the rich richer and the poor poorer. The era of monstrous fortunes in the United States dates from the war. . . . William H. Vanderbilt, with his forty millions of registered bonds, declares that the national debt ought not to be paid off; that, on the contrary, it ought to be increased. . . . A great public debt creates a great moneyed interest that wants "strong government" and fears change, and thus forms a powerful element on which corrupt and tyrannous government can always rely as against the people.

Indirect taxation, the other device by which the people are bled without feeling it, and those who could make the most effective resistance to extravagance and corruption are bribed into acquiescence, is an invention whereby taxes are so levied that those who directly pay are enabled to collect them again from others, and generally to collect them again with a profit, in higher prices. Those who directly pay the taxes and, still more important, those who desire high prices, are thus interested in the imposition and maintenance of taxation, while those on whom the burden ultimately falls do not realize it.—From *Social Problems*, Chapter XVI.

## GERMANY

The issue of *Bodenreform*, the organ of the German Land Reform Union, for 3rd September, contained as its leading feature an excellent article on the life and work of Henry George together with a brief indication of the practical steps which have been taken in various countries to put the taxation of land values into practical operation. The Union has always adopted the view that other measures besides land value taxation should be adopted, although that is very important, and the article states that "the teaching of Henry George is the foundation of the land reform movement in Germany." Mention is made of the German translations of George's works, and a long extract is given from *Social Problems*. Our readers will be interested to know that in spite of the war the Union is continuing its work and publishing its journal each week.

**A Free Copy of "Land & Liberty" is an invitation to become a Subscriber. Monthly, 2d. By Post, 2s. 6d. a Year.**