

A CONSERVATIVE FREE TRADER

FROM a remark in the preface to *The Case for Freedom*,* by Antony Fisher, one might assume the author was once a political candidate. His style, however, smacks less of the average politician's appeal than that of the most uncandidate-like figure in literature, and the substance of his argument also recalls Thoreau's assertion that "Government never of itself furthered any enterprise, but by the alacrity with which it got out of its way."

It is refreshing to read an uncompromising argument for government by principle, which defines that principle in unmistakable terms and analyses present conditions of society in the light of the permanent contributions to social philosophy rather than the passing fashion of thought. Mr. Fisher declares the principle of society to be that "we should all do as we should be done by." It follows that "a people which goes to church and builds great monuments to its God and yet disobeys principle in its legislation can never be in a better state than confusion. No one individual has the right to force others to do anything, only to defend himself and others against harmful actions by anyone."

Upon this basis (which it has always been the policy of this journal to accept without reservation) he builds an excellent case for the Free Market as it was understood before 1914. He shows how tariffs, economic planning, exchange and currency manipulation, subsidies and trade monopolies are all the creations of unwarranted State action; that they conflict with the moral law, entail the destruction or limitation of wealth and lead to the corruption and weakness of society. Under the heading, "Positive Policy," he applies the principle of the Free Market to specific problems of our time.

Other Free Traders have done this before, but it can never be repeated too often. Mr. Fisher brings the freshness as of a new discovery to the task and brings to light some aspects not previously thrown into relief.

And yet, we wonder, how many candid readers—even those who sympathise intensely with the general tendency of the argument—will feel quite satisfied that every significant phenomenon has been explained and nothing really essential overlooked? Was it, after all, just pure cussedness that made so many people, even in 1914, turn their eyes increasingly either to the fallacies of Marx and his kind or the Fabianism of "social services"—both involving that coercive State action Mr. Fisher specifically repudiates? On the last analysis one finds that Mr. Fisher's advice can be reduced to saying, if we want more we must produce more. And this is the slogan of the present Government. On the principles of the distribution of wealth he has nothing to say. But for the overwhelming majority of mankind this is a question so important that the subject of total production fades into insignificance. He says that "Income Tax is now so high that it is acting as a direct check on production," but on the principle of taxation he says only, "A government will always have running expenses and it must tax its people," keeping taxation "as low as possible"—a phrase which refers the question to that principle of expediency which he sets out to overthrow.

On the subject of housing he observes, "In order to get houses it is important to have a free market in everything to do with house building. There must be competition . . . among the owners of land."

It is evident that he overlooks the conditions necessary to competition in the supply of land, and he confuses the colloquial use of the term rent as applied to hire-

charge for a house with the economic term rent, meaning payment for the use of land only. He does not seem to be aware that the use of land is indispensable not only for housing but for every requirement of man's material existence. He advises his readers to study *The Wealth of Nations*. This is excellent advice; but the sincerity which is apparent in Mr. Fisher's book emboldens us to suggest that a re-reading of Adam Smith's remarks on rent and the Physiocrats, and the subsequent development of these subjects by Ricardo and Henry George would enable Mr. Fisher to apply the principle of "do as you would be done by" to rent and taxation and thus complete the logical task which he began so auspiciously.

The only method, consistent with equal freedom, by which a free market in land can be established is to oblige the owner of each site to repay to his fellow-citizens the value with which they by their presence and activities have endowed it. This is not to coerce but to withdraw the powers of coercion which the State before 1914 granted to the owners and which a Socialist government continues to grant. This is to establish the right of property at the source of all property, vindicate the cause of government by principle, to introduce principle into taxation and remove the evils to which the fallacies of *étatisme*, like some morbid growth, owe their existence.

A CONSERVATIVE LAND-VALUE TAXER

IN his book, *Things Not Generally Said*,* Dr. H. Martin-Leake brings mature judgment and long experience as Indian civil servant agriculturist to a consideration of man's tendency to form those groups which are such a notable feature of the present state of society,

The first and original cause of this tendency he sees in the greed so deeply rooted in human character that it is wiser to treat it as a natural force than attempt to check it directly. He recognises that the landed interests form the oldest of these groups; after them came the Guilds, the joint-stock companies, financial trusts, Trade Unions, traders' and professionals' associations. Any injurious activities of these groups arise not so much from deliberate intent as from the influence of enthusiasm because (apparently) it is not in human nature to be enthusiastic for the reform of an abuse unless one desires to set up another abuse in its place. "Can the title, 'The Great Robbery,' used for a book detailing the vested interests in land, have any other result," he asks, "than to arouse resentment against the landed interests? In my mind the possessors of landed interests are entirely free from any action worthy of the name of robbery," although "I am in agreement with the view that the land tenure system of this country is anachronistic."

The author develops his theme somewhat diffusely but with insight, apt quotation and wide knowledge, leading up to the conclusion that in the development of co-partnership lies the way out of our difficulties. Perhaps the argument would have been more convincing if the proposals had been clearer and more positive. It is difficult for the reader to understand to what extent they could be enforced without the compulsion the author repudiates. His emphasis, however, upon the unique situation of land in relation to society; and land value taxation as a source of revenue is especially interesting as it comes from the Conservative approach. It is evident that here, especially, he has drawn upon personal knowledge and observation, prompted originally, no doubt by experience of the zemindar system, rather than upon

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* Christopher Johnson, Gt. Russell Street. 10s. 6d.

"things generally said." His profound distrust of all enthusiasm for general propositions could not blind him to obvious anomalies in practice or deter him from further research. He is the first conservative to our knowledge who has at the same time expounded the advantages of land value taxation and exposed the specious fallacies embodied in the Town and Country Planning Act.

Although Dr. Martin-Leake says, "the arguments for and against free trade are too complex" to be given in his book, it is evident he rejects free trade and considers the Liberal arguments in its favour were strongly influenced by the industrialists' special interest in securing cheap labour, involving "exploitation" of the working classes. His use of such terms as "schemes of social reconstruction," "inflationary pressure," "the inflationary spiral," etc., is certainly no departure from the realm of "things generally said," and leads him to accept fallacies generally held, such as the assumption that wages are drawn from capital, imports cause unemployment, and economic law changes with the passage of time.

The tendency to seek ulterior motives in every association and every movement for radical reform obscures his appreciation of the essential difference between selfishness and legitimate self-interest. He fails to see that two exchangers in bargaining with each other, under a free system, reach voluntary agreement not only in their own best interest but also in that of society in general.

The merchants and industrialists who supported Richard Cobden were inspired, no doubt, by self-interest, but anyone who reads the literature of those times cannot

help being impressed by the abundant evidence of the higher feeling which prevailed in public life, and as far as concerns the middle and skilled artisan classes at least, in private life than in our own times.

In "its power of adaptation" Dr. Martin-Leake sees in the Conservative Party the agency for implementing the required co-partnership policy, although he admits that its power of adaptation, as far as land monopoly is concerned, has not so far been very evident. It is interesting to note that another Conservative whose book we review in this issue considers the same agency most suitable for a return to Free Trade. It is true that the great Act of 1846 was carried by the Conservative Government of Sir Robert Peel; but, as he himself confessed, this was only made possible by the "untiring energy" and "pure and disinterested motives" of Richard Cobden.

The Free Trade movement was perhaps the most striking evidence in history of a movement which rejected group selfishness. It demonstrated that an enthusiasm for justice can be as potent an element in human character as selfishness. The concentration of capital which emanates from land monopoly was the first, and has always remained the most powerful factor in the formation of selfish groups; but the bewildering speed with which selfish groups of all kinds have multiplied since the return to "the State Socialism known as Protection" is a factor Dr. Martin-Leake does not seem to have taken into his calculations and, we think, would modify them considerably.

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ITALY'S APPROACH TO THE LAND PROBLEM

BRITISH newspapers of April 18 had much to say about the proposed "land reform" which Signor de Gaspari's Government had made an Easter present to Italy. It begins with the words: "One million, two hundred hectares of Italian land are to be made available to the landless."

April 16 was the first anniversary of the great Christian Democratic electoral victory and to mark the occasion the party addressed the Italian people in a manifesto which said among other things:—

"The promises of freedom in the Atlantic Charter have unfortunately been wiped out in Central and Eastern Europe, where one free government after the other has been violently overturned. To avoid this tragic destiny the democratic nations have joined in defence.

"The Italian Constitution has proclaimed principles of social justice which this Government, victoriously born on April 16, last, will carry out in spite of the natural poverty of the Italian soil and the big war destruction."

We have no evidence to doubt the good intentions of the Italian Government. Other Governments have long ago set the same example, and no régime can be blamed unduly for any concessions to the desires of those on whom it must depend for power. In the general interest, however, it might be useful to investigate more closely the effects of this measure.

All landlords who possess more than 300 acres of arable land, or more than 750 acres of mountainous or forest land, are to be obliged to sell or lease to the estimated million of landless peasants some part of their holdings, so that these are reduced to the stipulated acreage. The period allowed for this to be completed is not yet fixed. When it expires the State is to buy the surplus land, not, however, "for keeps," but in order to lease it to the new

occupiers on the instalment system, so that at the end of 20 years it becomes their own property.

This method reveals something of the problems which will arise. What happens if a proprietor owns, for example, some 200 acres of arable and 400 acres of other land? Is the composite holding above or below the permitted amount? If above, in what proportions is the surplus to be divided? Will that surplus necessarily constitute an economic holding? Must a proprietor give up his best or his average land? If average, can this be exactly computed? And can it always be decided what is and what is not arable? If all the million new proprietors are to be treated alike, does this not involve an extremely difficult assessment, during a period of necessarily uncertain and fluctuating values, of the value of all agricultural land, some of which might be ripe for other development? What about new buildings and machinery for the new proprietors? Who is or is not a peasant? Are there no owners of both urban and agricultural land? And, finally, are there no landless in the towns?

One is driven to the conclusion that this "reform" could only be carried out, without endless delay, by arbitrary and ruthless administrators, whose decisions must be final and cannot be equitable. This, on examination, proves to be the outcome of a measure which so many well-meaning people might assume to be so simple.

Criticism, however, is useful only so far as it points to a satisfactory alternative.

If the Italian Government, in conformity with social justice, were to declare that all Italian land, urban as well as rural, was the rightful property of all Italians, collectively, it might easily start by a valuation of land, apart