

## TRUE FREEDOM OF TRADE Must Be Trade Between Equals

WHAT WE at bottom desire is universal equality, justice for all—real brotherhood between all peoples. We wish to abolish all the barriers raised by despotism between the members of the great human family.

Among these barriers there is one in particular to which I would draw your attention, because in the first place it separates people as much as, nay more than, political prejudices and differences of language; and, secondly, because it has a very direct bearing on the question of land and taxation. I refer to the tariff and to Free Trade. Upon this question I cannot admit that anyone can maintain an attitude of indifference. There are too many interests involved in all that has to do with tariffs, foreign competition, and foreign trade, to fail to arouse particular attention. It is absolutely necessary to take sides.

What do we want? Is it the extension of foreign trade as it at present operates and expands? By no means. We are very well aware that commerce, that is to say, the circulation of the products of labour, is absolutely determined by the law of the distribution of wealth, and cannot but conform to that law. Now the distribution of wealth being at present just as unequal and as unfair as the distribution of property in land, the circulation of wealth too can only be unequal and iniquitous—present day commerce must be as tyrannous and despotic as distribution.

Commerce can only bring wealth to those who are destined by those fundamental laws of distribution to receive it; it cannot bring wealth to slaves and to a proletariat deprived of their natural rights. When property in land is assured to all, and each man is master and owner of the whole fruit of his toil, then commerce will be the servant of each and all in place of being the instrument of the fortune of a privileged few. What we want is not only free trade but equal trade. But we shall only have equality in trading if we attain to equality in the distribution of wealth, to equality in the distribution of property and of taxation.

True Free Trade can only exist in conjunction with equality in trading, the principle of equality should go, if not before, at least together with the principle of freedom. But the fundamental equality being equality in land and in taxation, it is only by this equality that we can arrive at true Free Trade.

Equality in trade can only exist between men who are equals. Under the reign of inequality in land and taxation that we are subject to to-day, commerce is not always the realization of an exchange, but more often the exaction of a tribute. When Rome was mistress of the world, she imported from Sicily, Spain, Africa, Egypt, and other subject countries much more than she exported. All war indemnities give rise to a movement in trade which manifests itself on the side of the conquered in exports alone, and on the side of the conquerors in imports, followed by no return. Trade, in this case, is merely the means of levying a tribute.

In the United States we have vast domains belonging to foreign owners, especially Englishmen, who let them out in small farms. The rents of our farmers are expressed in exports not followed by imports. Moreover, an enormous amount of foreign capital has been invested in our great enterprises: we have to pay for all that in exports with no return.

It is true that we also have capital invested abroad, and that our compatriots possess land in other countries; our capitalists and our proprietors therefore set up a

movement in the direction of imports unaccompanied by exports. These imports are balanced by the exports of our farmers and borrowers; but the balance is not evidence of an exchange, since those who import are not the same as those who export. Our exporting is done by debtors and our importing by creditors; there is an equilibrium, but not exchange and compensation. One pocket is emptied, the other is filled. Such is the balance of trade.

In home trade it is the same. Our great owners of estates, of farms, of mines, and railways live in towns where they import their rents without exporting anything to the villages and the exploited countryside. Our farmers, tenants, borrowers, and our workers of all kinds export their goods in payment of what they owe without importing anything. None of these imports and exports in the interior of the country, from province to province, or from the countryside to the great cities represents an exchange, but rather a tribute. Such is commerce at the present time.

We have quite a different conception of commerce and Free Trade. What our orthodox economists call Free Trade is for the most part commerce from which exchange and freedom are absent. The starving man who finds himself obliged to give a day's work for a piece of bread is not free to do otherwise, the exchange which he makes is forced upon him, the employer getting the lion's share. The owner of land who collects his rents and dues does not effect an exchange; he levies a tribute just as the Turks levied tribute after their conquests.

Where there is tribute, there is neither exchange nor freedom, and therefore there can be no Free Trade. So long as the tribute of rent exists so long will this pretended Free Trade be nothing but a sham. To establish Free Trade it is necessary to begin by destroying tribute at its roots by taking the rent of land for the benefit of the community in the way I have elsewhere described. Not until rent tribute, the father of all commercial and industrial tributes, has been abolished can one speak of freedom of exchange and of equality.

Commerce will rearrange itself unaided in accordance with the new needs created by the new distribution of property in land. It will be needless to map out its course; it will follow its bent as naturally as flowing water. If we are here forecasting the changes of direction in the great streams of commerce, it is not with the least idea that the lawmaker should ever intervene, but solely because it is useful to foresee all the possible consequences of the proposed reforms. These consequences will necessarily be in strict conformity with economic laws, but it is expedient to show that the working of these laws will not be the same under the régime of equal rights in land as under the régime of land monopoly.

Under the sway of land monopoly economic laws work under constraints; nothing is done freely, everything is forced. The law of supply and demand especially and the law of competition are dominated by landlord despotism. The same holds good of the much-talked-of law of the division of labour. To-day the division of labour is as distorted as competition. For it is certain that the propertyless, the wage-earners, the farmers, are not free to distribute their labour according to their will, since they are not the masters of production. It is the monopoly of the soil which controls the law of the division labour—just as it controls

the law of supply and demand—by letting the soil go to waste.

To-day the subdivision of labour is generally accompanied not by the collocation but by the disjunction of the various branches of industry, and consequently by the isolation of each of them and the complete isolation of the workers, subjected to such a régime. It is for this reason that in certain countries one sees whole populations condemned from their birth to the one and only occupation of work in the mines, without the least possibility of choosing another calling. This system of dispersion is absolutely injurious to production, for it does not allow anyone to follow his aptitudes. The worker is induced by the pressure of his environment to adopt a given trade because there is no other within his reach.

From the purely intellectual point of view, this system is disastrous. It exaggerates the analytic spirit at the expense of the synthetic, as our great philosophers have clearly pointed out. This baneful tendency towards the dispersion of industry is, no doubt, the result of the appropriation of the soil by a minority and the enslavement of the working masses.

By levying tribute upon labour, the masters have divorced production from consumption, the markets from the sources of supply. Under these conditions society is divided into two classes, on the one hand the workers, on the other those who enjoy life without working. Harrowing toil is the lot of one portion of mankind, pleasant occupations the lot of another. The one consumes without producing, the other produces without consuming more than is strictly necessary for the working of the human machine. Such is the division of labour accompanied by the dispersion of industry. It is simply monstrous.

The law of the division of labour has then different applications according as the worker is independent or is not. When the tax on the unimproved value of the land has destroyed the omnipotence of the landowner, the workers will be masters of production and free to profit by the advantages of the division of labour, as well as from the not less important advantages of the grouping of industry. And thus life will be complete in every part of the planet. The more one studies the effects of land reform through land value taxation, the more one realizes that this reform is complete and satisfies all the interests as well as all the needs of the mind, all the rights of the individual as well as those of society. By this reform we shall be able to enjoy a real Free Trade, instead of the lie which is held out to us by the orthodox economists.

(From the Address by Henry George at the Land Reform Congress, Paris, 1889.)

There has been correspondence in the *Literary Guide* upon Herbert Spencer's views on the land question, in which Social Statics has been quoted and Spencer's "recantation" brought under review. In this Mr B. Butterworth of Watford has been able to make good use of Henry George's book, *A Perplexed Philosopher*, and we would like to compliment Mr Butterworth on the convincing arguments he has put to his opponents in upholding the equal right to the use of land and revealing how Spencer went wrong in the matter of compensation.

LAND AND FREEDOM. A new, comprehensive and up-to-date Work on Land-Value Taxation. By FREDK. VERINDER. Cloth, 2s. 6d.

LAND-VALUE RATING. Theory and Practice. By F. C. R. Douglas, L.C.C. Cloth, 2s. 6d.

## THE COAL INDUSTRY Who Gets These Benefits?

I REMEMBER in 1872 working down the Astley Deep Pit, Dukinfield, Cheshire. The main shaft was 723 yards deep. Flat tapered winding ropes had to be used to raise the coal to the surface, as it was then impossible to make a non-tapering rope capable of lifting its own weight and even a small working load from a depth of 700 yards. The mine water had to be pumped by means of massive engines on the surface working heavy "pump rods" which forced it through cast-iron pipes in four separate stages to the surface. The crude tools and other equipment would to-day only have value as museum exhibits. Internal combustion engines, electric motors and high pressure steam were not available. Yet the coal was sold at less than 7s. per ton at the pit-head and still yielded substantial profits.

At the present time, the discovery of many new and more easily mined seams of good coal; the reduction of mining royalties to an average of under 6d. per ton; the invention of coal-cutting machinery, which has revolutionized production in many districts; and the use of pressed steel tools made to gauges operating to the thousandth part of an inch, save time and labour in a way that would have been thought miraculous in 1872. Moreover, conveyors at the "faces" and mechanical haulage along the "drives" very greatly reduce the cost of conveying the coal from the "working faces" to the shafts; and, thanks to improvements in wire-drawing, relatively cheap parallel ropes are available capable of lifting a working load of over 25 tons from a vertical depth of over 2,000 yards, and they do this with a far longer working life than the expensive tapered ropes in use 60 years ago; electrically driven pumps at the shaft bottom are now forcing water in one lift, through steel pipes, from depths of over 1,000 yards vertical.

Why, in face of all these improvements, cheaper capital and miners no less capable at their jobs, does it cost so very much more to sink shafts, to develop mines and raise coal to the surface than it did in 1872? In considering this problem I cannot forget that in 1872 it was one of my ambitions to own a watch which would keep reliable time. But alas, such a watch cost 60s. To-day I can buy a good-looking reliable watch for 6s.; and the price of many other things has been reduced proportionately.

Coal is an essential element in the life-blood of our nation. The supply is of individual and national importance, the safety and wages of its miners one of our common responsibilities. The retail selling price of coal vitally affects our home and industrial life. And yet, in the many books, pamphlets, speeches and Parliamentary debates giving the views of royalty owners, colliery proprietors, middlemen, miners and consumers on the raising and selling of coal there is to be found no understandable explanation why the selling price of coal has risen during the time the price of watches and such things have been so greatly reduced.

(From *Why Civilizations Rise and Fall* (Chap. VIII) by G. A. Goodwin, C.M.G., price 6d. post free—see advert.)

The Press Bureau of the Land Values Group of the Parliamentary Labour Party continues to send its regular articles and items to the newspapers. A letter by Mr Leon MacLaren on the injustice of the present rating system has had wide notice.