

absence might result in eviction or stoppage of "charity" from Hall or Rectory—could worship have been sincere under those conditions?

The records show a gradual decay of spirit even among the clergy themselves until new forces arose to challenge their domination. And to-day when the villagers feel dependent most of all upon the State, it is to that coarsest of all superstitions that their worship is transferred, and the churches are left almost empty. If men had always been free to accept Christianity freely the Christian spirit could have prevailed more widely, its adherents would have remained true, and the Church itself would have been more in accord with the teaching of its Founder. I do not see how those good Churchmen who have never thought for themselves can escape some responsibility for the present situation, and they cannot plead compulsion as an excuse.

Looking at the present crisis in the light of these considerations I cannot find any reason to accept the experts' suggestions that all decisions should be left to them. To be free the citizen himself must be sovereign. He may pass on the detailed work to others, but he must first decide the main course after setting the general picture in due perspective. A people so long accustomed to the exactions of privilege that they have become blind to them are involved in a war largely paid for by borrowing,

within and without. At the conclusion various groups seek power by promising conditions which cannot be established if the debts are to be only partially discharged and the privileges maintained. No party considers abolishing the privileges because by so doing the need for power-groups altogether would be reduced. Thus all attention is concentrated on currency juggling, conferences of experts, official monopolies of manufacture and trade, and similar expedients. But the day of reckoning cannot be put off when the exploited taxpayers of our foreign creditors threaten to revolt.

Some new expedient may be patched up to carry us forward to the next crisis, but it is plain that no permanent alleviation can be established until the privileges are resolutely attacked. The situation shows a good many features in common with that period of debt, official restriction and sectional privilege after the Napoleonic Wars. Then the people were driven to try freedom at last. Perhaps on this occasion we shall be able to try it more thoroughly.

To me privilege appears the embodiment of evil, evil in its inception, evil in its results; demoralising to those who profit from it, degrading to those who suffer. To fight evil leaves no time for despondence and one has the satisfaction at least of knowing that every one of one's steps is in the right direction.

F. D. P.

THE SITUATION IN THE PHILIPPINES

A Review of the Report and Recommendations of the Joint Philippines-American Finance Commission.

IN the field of Science, termed Physics, any attempt at accurate calculation was foredoomed to failure until the law of Gravity was discovered and applied.

In the field of Social Affairs termed Political Economy a similar state existed until an equally universal law of Rent was formulated.

"G" in Physics has been universally acknowledged and adopted.

"R" in Political Economy, except by a very small group, has been either ignored or only partially apprehended.

The disastrous effect of this is seen in the results accruing to all attempts to produce a healthily developing peaceful society on this planet.

In the nineteenth century it was hoped that Liberty of the Individual was the key to such a society, but the grossest inequalities persisted, because of ignorance or disregard of "R."

In the modern age not only "R," but even the distinction between land and wealth is ignored. Terms such as "real property" utterly obscure reality. Calculations regarding the distribution of wealth are made in all the schools to-day, in all the centres of finance, in all the Treasuries of the world, with the omission of the factor "R," and the result is the same as if "G" were omitted from physics.

The above is of vital importance in considering this Report on the Philippine situation. The Report is a mass of statistical information. It produces arguments which, in the light of to-day's academic teaching and practice, are unexceptional. It assumes that the conduct in these matters of the United States is more or less the ideal to strive for. There is little in it that would be objectionable to the Socialistic Government of Great Britain.

Similar results will no doubt be reached by all.

The fact that wealth is concentrated in few hands in the Philippines is noticed, but no attempt is made to explain how this arises. There is no evidence that it is a matter of concern, or in any way understood.

The ignoring of a law does not prevent the law from operating. Rent—economic rent—will accrue in the Philippines and will distort all efforts to produce a healthy, just, free society unless it is brought into the calculation accurately.

The Commission were unfortunate in that their terms of reference bound them to endeavour to base their report on the socialist ideal of "ability to pay." Superficially and sentimentally this appears to be a sound, fair method of providing for the community's financial needs. Looked at more carefully, it is a delusion, and is really a penalising of any who have used their talents more conscientiously and more intelligently than their fellows. Further, it is fundamentally not honest, because it ignores the inherent right of an individual to what he creates by his labour.

It is not mentioned, possibly not noticed, that taxation systems, i.e., systems of public revenue, which are based upon the slogan "ability to pay," all work by taxes levied upon improvements, upon industry, upon production, upon ability, upon the exchange of wealth, upon transport, and so on. All hamper the production and distribution of wealth; all reduce incentive; all distort the economy from functioning ideally. Indirectly they produce conditions which lead to dissatisfaction through poverty, which encourage and breed greed, which foster corruption, enmity, and finally war. These systems necessitate hordes of officials, police and statisticians; idle labour from the production standpoint; expensive and useless labour from the community's standpoint. Worse still, they gradually

restrict and finally abolish liberty, which is man's great birthright and the condition of his progress.

The slogan "ability to pay" has no moral justification. Any taxation system must first answer the questions: What is the moral basis of property ownership? What is inherently State property? What is inherently individual property?

If the State, i.e., the community, takes by force from the individual wealth to which it has no moral claim, then it is guilty of theft. Similarly and equally, if the individual takes from the community, even by the consent of legislation, wealth which is inherently a community property, then he is guilty of theft so long as even one member of the community objects.

The only basis of taxation which conforms to these moral considerations is one based upon the principle, "payment for benefits received." Upon this principle, a man will pay to the community the full annual value for any part of the public domain which he reserves for his own use or pleasure. By "man" is meant, of course, any private interest, in distinction from the community as a whole.

In the Philippines this term "man" would, I am convinced, mean principally the Roman Catholic Church and the other great landowners, who hold land either of great value or great acreage.

The Report represents much work and in some details may be of incidental utility. It is orthodox and will be adopted. It is foredoomed to failure to produce any better results than the other economies in the world to-day, because, like them, it ignores "R," and in the other respects mentioned it is not built upon the foundation of morality and justice.

W. H.

POSTAL CENSORSHIP AGAIN

From the London *Evening Standard*, September 24th.

The decision to empower officials to open letters and parcels in the overseas mail suspected of containing valuables constitutes a disgraceful invasion of privacy.

The Treasury say that they will use fluorescent screens and X-rays to assist their experts to pick out suspicious letters. But the use of this equipment does not alter the fact that the letters will be opened. The Treasury say that messages in letters containing money will not be read. Yet, in the same breath, they declare that it is possible that the Customs will retain such messages if they want to use them as evidence against the person sending money.

The fact is that whatever the Treasury may say, letters will be opened and, once opened, will be liable to be read. Intimate and confidential letters may be perused by a Post Office sorter or a Customs official, or some other Paul Pry designated to the task. The reader may thus be given access to knowledge which he could use to the disadvantage of the writer of the letter.

What guarantee can be given that information will not be extracted from a letter and passed up to the politicians who authorised this ominous step?

At present the snoop is confined to foreign mails, whether incoming or outgoing. But if the British public accept this fresh extension of State power in peace-time, they may be soon confronted with the same censorship applied to domestic mails.

This latest infringement of individual liberty brings the country a long way further down the road to a police state.

Two months were spent in training Post Office staff and in research into the legal position, before the Treasury announced their new drive to trap currency evaders by "censoring" letters for abroad after next week.

"We will rely mainly on sorters," said a Post Office official. "They become expert, after practice, in selecting dubious letters or parcels for inspection by Customs officers. We shall gradually increase the percentage of mail to be examined."

WHY THIS CHAOS?

By Major J. F. C. FULLER

TO-DAY we are worse off than at any former period in our history. We are rationed, controlled, and bankrupt. Solely to blame this on the war is nonsense, because in the past we have fought many great wars, and after no one of them have such dire conditions prevailed. Nevertheless, had there been no war we should not be in our present parlous state. What, then, is the answer?

The answer is not so much the war as the way we waged it. We did something we had never done before: we fought it to the point of annihilation. We annihilated our enemy. . . .

What was the problem which, in September, 1939, our war policy should have set out to solve? It was to eliminate what to us was the fundamental cause of the war with the least possible injury to our security and prosperity.

What was this cause? Was it Hitlerism in the sense of "the evil thing" as proclaimed by Mr. Chamberlain, or was it "to save the whole world from the pestilence of Nazi tyranny" as announced by Mr. Churchill? No! We are not a nation of parsons or of anathematising priests; we are a nation of hard-headed business men and traders. We went to war because Hitler set out to establish an economic hegemony over Europe. It was his "New Order" which threatened our existence as a great trading nation and not his politics. . . .

In the commercial, financial, and technical age in which we live, the leaders of the nations do not quarrel over spooks, however horrific they may be; they quarrel over trade, markets, tariffs, and the power which wealth carries with it. Though this may be highly immoral, it is actual and real, therefore, it is useless kicking against the pricks. Our world is not a dreamland, it is a world of violent facts.

Because we were determined to maintain our old order, in 1939 the problem our war policy should have set out to solve was how to compel or persuade Hitler to abandon his New Order, and not to wage an ideological crusade against his political ideas, if only because ideas are impervious to bullets. Yet we set out to shoot ideas, and the consequence was that it inevitably led to shooting the people who held them—some eighty-odd millions in all. Hence a war of annihilation, in which Germany politically and economically, was destroyed.

What our leaders failed to see was that, though Germany as a trade competitor was a challenge to us, Germany was also our most substantial European market, and were we to lose it a grievous blow would be struck at our prosperity.

As disastrous, they failed to see that if politically Germany were destroyed, the balance of power in Europe must inevitably pass to Russia, because the annihilation of Germany would leave Russia the most powerful nation on the Continent.

At Casablanca, the disastrous policy of unconditional surrender decided upon by President Roosevelt and Mr. Churchill, and at the very moment when German morale was beginning to crack up, gave Hitlerism a new lease of life, because it rallied to the Swastika the millions of by then disillusioned Germans. At Teheran, Poland, the publicised cause of the war, was thrown to the wolves, and at Yalta the greater part of Europe east of the line Lübeck-Trieste was handed over to Russia. What logic