

value rating must be a matter of opinion. If it did, there would be delay in its passage in order to comply with the procedure laid down in the Parliament Act, and speed is of great importance. Another point which deserves attention is the valuation. If this were to be left to local authorities under a Bill for rating site values, the task might in many cases be carried through very imperfectly. The local rating authorities do not all possess sufficiently competent staff and an adequate body of experience for such a task. The Inland Revenue on the other hand has in its district valuation offices the nucleus of an organisation trained in such work, and it has the particulars of sales of land and of leases which by law must be delivered to it for purposes of record.

The making of the first valuation must be a task of considerable magnitude and expense. It is a task which has too long been neglected, and it should be embarked upon without delay and pushed on with all possible speed.

### Ineffective Expedients

Without a public valuation of land made as a basis of taxation, the country is left without the one indispensable instrument of scientific planning and with no means of establishing a fair

price for such land as must be acquired for public purposes. The present method of settling the price of land being bought by public authorities is either by agreement with the owner or by arbitration. The latter process is in essence a species of litigation, and no more unscientific method of settling the price of land could be devised. The price could be brought to the test of recorded fact, if we possessed a public and officially made valuation which served as a basis for taxation as well as of compensation.

Moreover, without taxation or rating of site values it is impossible to recover for the community in any effective fashion the land value which the community has created.

The schemes for levying a betterment charge which are contained in the Uthwatt Committee's Report and in the White Paper on the Control of Land Use are both difficult of application and partial and discriminatory in their incidence. They both also contain the fallacy that in the process of planning and redevelopment increases of land values will arise which will be adequate to meet the costs of compensation or purchase. There is no warrant for this belief. In addition neither of these schemes will yield a general valuation of land made upon uniform principles and they fail, there-

fore to provide the nation with the indispensable ground work which is needed to deal with these problems effectively.

### Urgency of Rating Reform

There is also the vital consideration that it is imperative to relieve houses and other buildings and improvements of the burden which our present system of rating and taxation imposes upon the occupiers of them. A reform of our system of local rating is long overdue. The demands for local revenue are likely to increase as a result of the many new duties imposed upon local authorities in the fields of education, national health, housing, planning and other activities. There must of necessity be a delegation of many of these tasks to local authorities, and a considerable share of the cost must be borne by them if local responsibility and initiative are not to wither away. On the other hand the delegation will be ineffective if they do not have the revenue locally to meet the burden.

A great opportunity now lies before the Government. The electors expect much of it. Let it lay the foundations of land reform upon sound and permanent lines avoiding the temporary expedients and compromises which will effect no enduring solution but will merely impede a final settlement.

## BARRIERS TO WORLD TRADE

IN AN important speech in London on August 20, Mr. W. W. Aldrich, president of the International Chamber of Commerce, and chairman of the Chase Bank of New York, advocated a world conference to speed the restoration of multilateral trade. Only if trade were free, he said, could reasonably full employment be attained without artificialities such as continued Government deficit financing which led ultimately to the socialisation of economy. Removal of trade barriers was a prerequisite of the removal of exchange controls and the stabilisation of exchange rates. The longer controls were maintained the more difficult were they to eliminate. Only if trade barriers were removed, continued Mr. Aldrich, would nations be assured that debts incurred for stabilisation could be repaid in goods. Only if domestic economic controls were removed would competitive forces be given full play and national income rise high enough to support a large volume of foreign trade. He condemned restrictions, monopolies, and cartels, which interfered with the free functioning of the price system. He added: "Nations can all too easily drift into totalitarianism by permitting or promoting those practices which in themselves seem innocuous and perhaps even beneficial, but which in cumulative effect destroy the private enterprise system."

Mr. Aldrich was as strongly against the control of interest rates as against import duties. "If we are to remove wartime controls and let the competitive and dynamic forces of the economy have full

scope, we must, as one phase of this problem, decontrol the rate of interest.

"If," he added, "Governments are determined to keep interest rates low in the post-war period, continued credit expansion will be induced in view of the large pent-up demand for capital. Continued credit expansion will lead to demands for the maintenance of price and rationing control by Government authorities over the types of loans to be made by commercial banks and over the use of savings funds.

"Such controls inevitably lead to a form of State capitalism, in which the State decides by means of its control over short and long term credits the types of industries to be favoured and of goods to be produced. Unless the rate of interest is relied upon to influence the supply of savings and to allocate those savings to industrial and other uses, the State will have to perform these functions. It will have to decide how much people should save and what industries should use those savings. But this involves complete control over the economic life of a nation."

Mr. Aldrich maintained that private enterprise was the only means of establishing world trade. Maximum world production required that all nations must have equal access to an expanding world trade, to achieve which we must resist the post-war strong pressures that would exist for the cartelisation of industry and for international commodity agreements.

It is not easy, as the *Manchester Guardian* comments, to see how all this

could be made to fit in with the programme of our own Government. Mr. Dalton's speech, as Chancellor of the Exchequer, in the House of Commons, the following day, took the opposite view on the issues raised by Mr. Aldrich. Planning of investments, control of prices, control of interest, are to be maintained or extended, and it all shows a disbelief in that freedom in the economic sphere for which Mr. Aldrich made such a convincing plea. On international trade Mr. Dalton made his policy clear. "We must press forward to expand our exports and reduce our dependence on imports, in so far as we import commodities which can be effectively produced at home." The qualification seems to beg the question, for the issue is just this, not as to whether goods can be produced effectively, but whether they can be produced *more* effectively, and more cheaply at home or abroad. Mr. Dalton used the illustration of alarm clocks, which were not being made in this country when war broke out. "When we wanted to awaken our workers we suddenly found that we had to bring large quantities of alarm clocks from across the sea. Private enterprise in this country was not able to provide alarm clocks." This is the old-fashioned Protectionist argument, and we need a new Free Trade "alarm clock" to awaken our electors to its dangers and fallacies. No doubt private enterprise in this country could turn out timepieces of all kinds so that we could dispense with importing them. But at what a cost? The Ingersoll watch, for example, which

can be bought here at 47s. 6d., evidently cannot be produced here at that price, otherwise we should not be importing them. If we stop imports, and produce them here, say for 57s. 6d., every buyer will lose 10s. which he might have spent on other commodities, and the production of the commodities which would have been exported to pay for the Ingersolls will also be stopped. The cost of waking-up the workers will be greater with home-made than with imported alarm clocks, and this principle carried through all productive items will inevitably lead to higher production costs, and a decrease of exports. Mr. Dalton states that he is going to stimulate home industrialists to produce efficiently here goods which, he says, have been in the past "quite needlessly imported from foreign countries." But by discouraging imports he will be increasing production costs of industrialists for everything they could have imported more cheaply. We consider Mr. Aldrich's logic more convincing, and that maximum production depends upon unrestricted access to world markets for the importation of raw materials and the cheapest and most efficient tools and machinery of all kinds. To speak of "needlessly imported goods" is once more to beg the question. Goods are imported only because they satisfy the needs of consumers at the least cost. To proceed on any other principle is to facilitate that totalitarianism of which Mr. Aldrich warns us, and it does so without the supposed excuse that we shall be economically better off. There is far less risk in allowing the mechanism of the free market and the price system to stimulate production of commodities at home, and by exchange, from abroad, if at the same time as securing free access to world resources, we also secure free access to the resources of our own land. This is the way to end that scarcity which Mr. Dalton sees as lasting a long time and which his policy will do nothing to remove.

The *Daily Telegraph*, August 23, reports that discussions are proceeding between United States and British Ministers and leaders of industry to plan bigger trade and reduce tariffs. There is close interest, it is stated, among the visitors as to the effect on America's export trade, conducted on a free enterprise basis, of the British Government's policy of control of imports and exports. Mr. Colmer, chairman of the U.S. delegation, stated that an international trade conference has already been recommended, with the purpose of establishing a general policy amongst the countries of reducing trade barriers. The immediate establishment of such a policy, he said, would be of enormous assistance in providing increased trade and employment.

2d. **HOW THE ENGLISH PEOPLE BECAME LANDLESS.** And How to Regain the Land.

2d. **THE NEW POLITICAL ECONOMY.** By John B. Sharpe.

## THE TROUBLE IN SYRIA

(From an article by BRIAN STUART in the "Spectator," July 6)

MOST OF the villages in Syria are either owned outright by wealthy merchants in the big towns, or else village lands and crops are mortgaged *en bloc* to powerful and often shady moneylenders. It is now no secret that a number of these merchants and financiers were pro-Axis quislings. They set out to effect the economic discredit of the Allies by *organising* a bread famine. They intended to amass unheard-of fortunes by collecting great stocks of grain, and selling it secretly to certain countries outside Syria. Within a very short time the situation had become one of the utmost gravity. The Syrian Government, under pressure from the French and British authorities, brought into being the *Office des Céréales Panifiables*. Simultaneously they passed a law forbidding the sale of even the smallest quantity of grain to any but an O.C.P. official. This meant that all grain in the country, whether growing or already harvested, was virtually requisitioned. This decree was rigidly enforced, and those who broke it were dealt with severely. Syria was facing famine, and nobody realised it better than the Beduins and nomads. These people are not self-supporting as regards grain. They trade their sheep for it. Very real trouble was brewing.

The French Administration had fallen down on its job. The British took over joint control of the O.C.P. with the French. Specially selected officers of the British and French forces were appointed to act as agents all over the country. Their task was to ensure that all grain grown in the country found its way into the O.C.P. storage depots, and thus break the Black Market. The price of cereals was fixed by law at a very generous rate. In consequence, the Black Market price promptly went up to astronomical figures. Within a few weeks, Aleppo, Deir-er-Zor, Homs and Raqqa became reminiscent of Chicago at the height of the Booze Racket. The French *Services Spéciaux*, and their squadrons of Gestapo-like native *Gardes Mobiles* could not, would not or did not have any noticeable effect on the attacks on grain caravans going into the O.C.P. depots. One suspected, but could rarely prove, that the prices reigning in the Black Market had something to do with it. Certain it is that a number of officials and French N.C.O.s were able to live in a style and luxury utterly inconsistent with the miserable pittance they received as pay. French and Syrian authorities in Beirut and Damascus gave the O.C.P. every support and help in stamping out corruption. The quislings and bribe-takers were dealt with ruthlessly if they were caught. British prestige, methods and insistence prevailed, and it was soon evident that actual famine would be averted, although strict and severe rationing would have to be introduced.

When the crisis was over I discussed

these matters with a very powerful Beduin shiekh, while sipping coffee in his tent.

"Thank God," he said, "the British jumped in when the French failed. If the French had not been here, no question of famine would ever have arisen."

I protested that it was not fair to blame the French. The culprits—the quislings and racketeers—were Syrians, not Frenchmen. The old man laughed.

"We could deal with them better than the French could," he said, grimly. "How would places like Aleppo or Raqqa appreciate forty thousand of my tribesmen encircling them, and watching every road, track and pass? Not one camel-load of wheat would have gone over the borders! Why can't we rule our own country in our own way?"

## PERFECT PLANNING

A PAMPHLET entitled "Full Employment and Freedom in America," by Dr. Virgil Jordan, President of the U.S. National Industrial Conference Board, is reviewed in the *Sunday Times* of August 26. Dr. Jordan tells his American readers that the totalitarian doctrine has triumphed in Europe and is in a fair way to do so in America. He includes Britain in his account of the destruction of economic and social liberty. "It is not merely," he says, "that the Soviet legions have overrun the Balkans and the Baltic countries and already turned out the lights of an entire continent from Kiel to Korea, but that in most of the rest of Europe, in Italy, France and England, no Red armies were needed to destroy economic freedom and social liberty. It had been done long before by the politicians, business men and labour unions of these countries." The pamphlet develops the argument that shift economic terms such as "full employment," "social security," "expanding economy" and "international planning" have only served to disguise the real issue, and after a searching analysis of the full employment policy, Dr. Jordan concludes with this passage, quoted by the *Sunday Times*: "The Government will give you full employment and guarantee your income provided you will let it use your money as it pleases; if you will buy for your own use what it tells you, at the price it fixes, or let it do the buying for you; if you will save as much money as it says and let it invest it as it pleases; if you will work at whatever it says, when and where it says, and as much as it says for what it says you can be paid; and if you will hear, read and think what it tells you and keep your mouth shut."

This is spoken in a liberal language that almost requires an interpreter in this country, so silent has been the voice of Liberalism on these great issues of the fate of the individual under systems of State control and economic planning.

6d. **BACK TO THE LAND.** The Essay by Dr. Thomas Nulty, Bishop of Meath. New Edition.

6d. **LAND VALUE TAXATION IN PRACTICE.** Review of what has been done in a number of countries. By A. W. Madsen.