

LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

Forty-seventh Year.—No. 550

MARCH, 1940

2d. By Post, 2s. 6d. per annum

"OUR STRUGGLE" AS SEEN BY SIR RICHARD ACLAND

ROBERT SMILLIE AND THE LANDOWNERS

THOUGHTS ON THE RIGHTS OF MAN

THE REAL ISSUE IN SOUTH AFRICA

LAND VALUE TAXATION IN SOUTH AMERICA

MR H. G. WELLS ON A NEW WORLD ORDER

LEADING AND conducting a discussion on a "New Declaration of the Rights of Man," which has been a daily feature in the *Daily Herald* during the past month, Mr H. G. Wells provided as a basis a ten-clause Charter, the first five clauses of which deal with (1) common inheritance, (2) freedom of thought, (3) freedom of occupation, (4) freedom of trade and (5) property rights. The other points relate to matters of minor importance for which no special prescription is necessary. Yet it is remarkable how much space the newspaper has given to the discussion of the dependent and less essential considerations, chasing the many hares that Mr Wells let loose. Thus far only one letter has been published on the right of equal access to land and the right of the community to collect and enjoy the rent of it. But there must have been more such letters and so many as to impress Mr Wells into a declared desire to "remove the stumbling blocks from the Single Taxer," followed, however, by a lack of apprehension of the Single Taxer's case which is hardly excusable.

* * *

The first clause, on common inheritance, omits the land as being any part thereof, and with such a narrow and false start it quickly descends to the claim on behalf of the individual to the charity of the State. It declares that "every man is joint inheritor to all the resources, powers, inventions and possibilities accumulated by our forebears and is entitled . . . to the nourishment, covering, medical care and attention needed to realize his full possibilities of physical and mental development." There is no statement here of the joint inheritance in the resources which neither our forebears nor we ourselves can accumulate or make; nor any suggestion that the individual is entitled to enjoy the fruits of his labours. Who will measure his needs and his possibilities of development and equate them with whatever supply is available of food, clothing and shelter and other things, of which his share may not correspond with the work he has done? Who is to ensure that there will be a supply? There is nothing for it but a State using

powers of confiscation or taxation so that the goods are distributed as it sees fit, with the necessary adjunct of the work ticket compelling the work-shy to help fill the pot in this glorified soup kitchen and the means test to prevent it being too soon emptied. Yet inherent in Mr Wells' declaration of rights is the intention to save us from the totalitarian State, however beneficent. It is strange, too, to find a number of Mr Wells' critics complaining that his scheme of things is too individualistic and not collectivist enough.

* * *

We do not quarrel with the statement that the powers, inventions and possibilities accumulated by our forebears are a common inheritance. It smacks of the "cultural heritage" which the Douglas Credit school of thought has made familiar but, of course, is none the worse for that. The trouble is that correct conclusions have not been drawn from it.

* * *

The great accumulation which our forebears have passed on to us is the accumulated knowledge of the ways and means whereby we can produce with greater ease and in greater abundance the things we want. It is a social force ready to aid the individual like all the other forces which society in co-operation provides. There is no access to it save by occupation of land for it is only on land that production can take place be it in town or in country, in farming or commercial pursuits. It is here that the co-operation of society is drawn upon and assists in such varying degree. It is thus that the rent of land arises, measuring the difference between what can be produced on one spot and what can be produced on another with equal application of labour and capital; the rent measures and is the mirror of all the advantages which attach to any piece of land compared with the advantages attaching to other land. So that if we declare that the rent of land is common property we are asserting at the same time the common inheritance to the things of which Mr Wells speaks. He does not say how his "inheritance" is to be enjoyed by all, whereas to-day its benefits are so unequally and

unjustly distributed. But he has the solution if we are right in the contention that the rent of land is most closely related to it.

Property rights, according to Mr Wells, comprise individual ownership in "a multitude of desirable and delightful things" the list of which ends with "exceptionally desirable sites for houses and so on"; yet in the next sentence land is to be unsaleable and unbuyable. The drafting committee which is to put the Declaration into final shape will have a hard task wrestling with such contradictions. And somehow, by what process is not said, a very large number of things—some of Mr Wells's examples are staple products, productive plant and shipping—are obviously to become the property of the State since they also are to be unsaleable and unbuyable. The new declaration is to forbid private property in them. So we foresee the completer phase of collectivism toward which Mr Wells says we are moving.

We move nearer to that collectivism in the narrow conception of Freedom of Trade which Mr Wells entertains. It is not what every one else means by free trade, but the fragment which was embodied in Lenin's New Economic Policy and which Stalin has in part allowed to the peasants not at all by right but by expediency. So, from Mr Wells the individual would have the right "to buy and sell anything which may be lawfully bought and sold with such reservations as are compatible with the common welfare," reservations that leave the definition of liberty dependent upon the definition or conception of the common welfare, and the discussion ends by begging the question. Principles that were to be established are cast to the winds. But to return to the question at issue, it is clear that there is to be no free trade. On the contrary, since the State is to own all staple products, productive plant and machinery, import and export trade will be a State monopoly, which is protectionism carried to the extreme; and in the guise of State monopoly profit, indirect taxation of the consumer will be a large source of the public revenue. Or are there other or better sources of public revenue in this new scheme of things? We are not told. It is a subject, as important as any, upon which Mr Wells preserves a discreet silence. All we know for certain is that "exceptionally desirable sites for houses and so on," being private property that can be bought and sold, will not come under contribution.

How to bring it about that the natural resources of the world shall be exploited in the common interest certainly exercises Mr Wells in the course of the newspaper discussion. There is a deadlock to-day, he says, due primarily to the appropriation of natural resources; further he says that both the private and the governmental appropriation of natural resources will have to be abandoned. Confusion could not be worse founded. He returns to the monopolisation of natural resources "by private ownership and private finance so that the hands of the workers cannot reach them"; and his policy is to tax and buy, purchasing with money that could be presently inflated or simply appropriated. Not to say anything of the deliberate dishonesty of such a plan, it will be a strange social order which starts its

career with the universal ruin that inflation and dud money would cause.

By this time one can see how many stumbling blocks Mr Wells has placed in the way of the Single Taxer "and those who are in love with the idea of peasant proprietorship." He attempts to remove them by thinking of land only in the agricultural sense and would allow the farmer to call himself a proprietor if he pleased, provided that as a free man (!) he accepted the assistance and direction of the State and he would be practically irremovable so long as his tenure did not waste the land. No proviso, however, with regard to the rent of the land and its payment as a condition of tenure and nothing in all this writing which shows an appreciation of the function of rent, of its part in the distribution of wealth, or consideration of the economic effects of appropriating it for the common good and abolishing taxes on buildings and improvements and all the earnings of labour. But Mr Wells has at least ventilated a great subject and set minds thinking. For that service he and the *Daily Herald* are to be complimented, while we are convinced that any Declaration of Rights accepted of the people will surely have written into it the equal right of every man to the use of land and the joint right of the community to the rent which attaches to it.

MR CHAMBERLAIN ON TRADE BARRIERS

The Prime Minister, Mr Neville Chamberlain, addressing the National Defence Interest Committee on 31st January, condemned the "all too prevalent system of bi-lateralism, of exclusive advantages, of discrimination carried to the pitch which clogs the wheels of commerce, and which promotes ill-feeling among the nations." He went on to say:—

"We recognise that for the full development of international trade it must flow along multi-lateral channels, and that we must put an end to that vicious policy of economic nationalism and autarchy which did so much to upset the last great peace settlement. One of our foremost aims will be the restoration of international trade which seems to us to present the best opportunity for restoring in turn the standard of living and the consuming power of the nations. That is a policy that we have in mind when the time comes to turn once more from war to peace."

Mr Chamberlain has made similar declarations lately. He has been putting on his thinking cap and learning by experience. From one who bears much of the responsibility of the tariffs of 1931 and onwards, and the economic nationalism of the Ottawa agreements, comes now this testimony to vindicate free trade. All those who are concerned to see peace established on a stable basis will be concerned to see that these declarations are fully implemented.

"How far, O rich, do you extend your senseless avarice? Do you intend to be the sole inhabitants of the earth? Why do you drive out your fellow-sharers of Nature and claim it for yourselves? The earth was made for all, rich and poor, in common. Why do you claim it as your exclusive right?"—St Ambrose, 340-397 A.D.