

Correspondence

FREE TRADE DISCUSSION

EDITORS LAND AND FREEDOM:

A letter from Rev. D. C. McTavish, Telfordville, Alberta, Canada, says: "It was 'protection' that cost England the loss of her American colonies. The same cause was behind the world war of a quarter century ago, and is behind the present unspeakable debacle." Secretary Hull recognizes this, and should be encouraged.

San Francisco, Calif.

J. RUPERT MASON.

EDITORS LAND AND FREEDOM:

I wish to take issue with Peter D. Haley's statements in his Con, in the free trade discussion appearing in your last number. The declaration that "tariffs have nothing to do with our relation to the land" is untrue. As Henry George himself says, "the tariff question is but another phase of the land question".

It is not true that conditions for the working masses were better in protectionist Germany than in Free Trade England previous to the war of '14. During the Free Trade era in England wages were constantly higher than in any other European country. In Germany, socialized control made it possible for a man to starve to death in a sanitary way. That was all.

The expansion of industry subsequent to the passage of the repeal of the Corn Laws and the relief by higher wages and increased opportunity was one of the most striking things in English, if not world, history. I doubt whether there has ever been a similar expansion. Mr. Haley's doctrine that "trade is the food which feeds the maw of rent collectors," is not appreciated by the British landlords, who as a class are about as acutely conscious of their privileges and how to protect them as any that ever existed. They seem always to play a brand of ball that is a little too fast for us. And so it is a fact that utterly unconscious of this Maw dictum they opposed Cobden and Bright in the repeal of the Corn Laws and the present landlord parliament as practically its first act put England on a Protectionist basis.

"The Tariff," says the Con author again, "has nothing to do with man's relationship to the land." I refer him to the files of *Land and Liberty* of London as to the increase in land values barring men from the land that has occurred since England's partial free trade has been abandoned. I refer him also to the rise in prices of every article of consumption, particularly food, since that savage backward step was taken. Tariffs of course cut men off from the rest of the earth outside as well as within their own boundaries.

It should be apparent that the effect of a protective tariff is to restrict production of those goods that are "protected," thus increasing the demand for these lands and increasing rents and land values. A spurious form of land values based on a kind of bastard speculative rent can be obtained through obstructive monopoly-creating laws, and the protective tariff is one of these. That is the reason the landlord Parliament—quite conscious that international trade is *not* the food that feeds the maw of the rent collector—rescinded partial free trade. They of course as usual "knew their onions" as they always have, and very intimately. They of course were acutely conscious that when the production of basic food stuffs, etc., was confined to the soil of England their land values would be raised. They made one error though in their hard-boiled thinking. It was no accident nor was it due to purely sentimental motivation that England had most of the World on her side in the Great War. The hard economic fact that Britain's trade relations with the world were free, and that the tendrils of free trade had penetrated all nations, had a large part in the united support the world gave her.

This war is obviously different. Allies do not flock to the standard of Britain. The world looks at her battle for "Freedom" with a cautious eye. The alienation of her potential allies by a protective tariff has been a large factor in the shifting of good will to suspicion.

As a matter of fact, free trade is as much a part of the Georgan philosophy as the removal of any other taxes on labor made products. I am inclined to believe that it is probably the most important phase of our movement, as it opens the whole Earth to mankind. It is the only way that we in the United States could attack—through joint free trade—spurious land values, with their distortion of the economic structure, in other countries than our own. It is only through free trade that we can draw freely upon the resources of the world beyond our own boundaries.

As an instance of what I am driving at, I relate the following: The sixteen landlords who, through the ownership of about fifty million acres of timber land, dominate the economic structure of the Pacific Coast, succeeded in passing a law taxing the importation of Canadian logs. Some of these outfits had mills of their own and wished a monopoly for them. Of course, after it was impossible to obtain logs from Canada, the price to the independent non-landowning saw-mill operator went up, and so did the price of timber lands. The independents, except in a few instances disappeared. In the face of this, can anyone say that the tariff is no part of the land question?

The most important aspect of free trade is its capacity as a Peacemaker. Henry George and all other economists of note agree that free trade is a necessary foundation for peace. The sum total of what we are forced to pay through all kinds of taxation for war is far greater than the whole of economic rent in these United States. If free trade would solve the problem of war or contribute to that solution it would remove from the back of labor a burden even greater than the sum total of economic rent. Thus it is apparent that free trade is just as important to our philosophy as the land question itself. Free trade *is* one phase of the land question.

Washington, D. C.

DONALD MACDONALD.

EDITORS LAND AND FREEDOM:

Secretary Hull's program of reciprocal trade treaties is by far the best thing the present national Administration has brought forth, although it is such a puny and inadequate proposal that it does not arouse great enthusiasm in me. Its chief value lies in the opportunity it affords for real free traders to get a nation-wide audience before which they can present the merits of full commercial freedom, and for this I am devoutly thankful.

The Con of Free Trade, by Peter D. Haley, seems to me a case of the trees obscuring the forest. Does Mr. Haley regard production as one thing and trade as another thing, instead of being merely "mentally separable parts of the same thing", the industry by which mankind gets its living from the earth? Restraint of one inevitably means restraint of the other. The freedom of *both*, from the artificial restraints which have been imposed upon them, is necessary in order to achieve complete economic freedom, and Mr. Haley errs in thinking that the freeing of trade in itself is valueless. Protection is an important rampart protecting land monopolization, and it must be removed before economic freedom can be attained.

In his day Henry George properly stressed the rise in the rental value of land, which was absorbing the benefits of material progress. Taxation in this country was then comparatively small—only in its infancy—and capitalization of the unearned increment grew rapidly. In 1879, when "Progress and Poverty" was first published, the entire revenue of the Federal government was a scant \$318,000,000, and state and local taxation was also relatively small. Today the naval bill before Congress calls for more than three times that sum, while the mere interest on the national debt of about forty-five billion dollars calls for more than a billion dollars, even though present interest rates are unprecedentedly low.