

WHAT ABOUT "AFTER THE WAR"?

By R. L. Outhwaite, M.P.

The belief that the declaration of peace will be for millions the signal to engage in the old struggle for existence under appallingly worsened conditions is causing deep concern and provoking manifold suggestions to meet the dread occasion. The bulk of the male workers have been drafted into the army or into the munition works, and will be turned adrift on the cessation of hostilities to find industry disrupted and a vast female force in possession of their former field of occupation. It is not too much to say that on the solution of the problem that will present itself will depend the future of Britain and the maintenance of her international position. The problem will be more complex with her than for any other belligerent from the fact that the British army has been recruited for the most part from secondary industries which will be disorganised, whilst Continental armies are to a greater extent drawn from the tillers of the soil, who can return to at least obtain sustenance. On Britain, too, a far greater burden of debt per head of population will have been imposed than on ally or foe. The existence of this vast debt must be kept in mind in the consideration of reconstruction to meet the aftermath of war.

To determine a method it is necessary in the first place to decide what is the essential to be aimed at. It is that the State shall assure the production of the maximum of wealth by removing every artificial restriction. No hand must be idle that could produce were opportunity to do so afforded. The disbanded armies must have fields of industry opened to them to conquer and the female regiments must not be flung upon the streets. To achieve this no palliatives will suffice, a great and fundamental economic reform must be wrought, and it is not difficult to discern that the battle-ground is being prepared for a mighty conflict as to the nature of that change between two opposing schools of thought.

To-day Protection is being urged and advanced as the solution of the impending crisis. Under the guise of war measures for the curtailment of consumption, a tariff is being established and a movement is on foot to give it permanence, and by differentiation create a customs bond between the Allies as against the Central Powers. The success of such an endeavour accomplished under the stress of war must be provocative of bitter strife at home and of international reactions little contemplated by those who are advocating this departure. Protection has as its avowed object the maintenance of prices at a high artificial level. Such a result achieved for the benefit of privileged home producers would engender domestic controversy. But by extending the area of exploitation the area of controversy will also be extended. A tariff with differentiation in favour of the French manufacturer would entail that the British purchaser of French goods would have to pay more than if those goods had to face free competition in British markets. It would lead to alliance between British and French capitalists in the formation of Anglo-French Trusts, and this union of pockets would arouse bitter antagonism and would endanger harmony. The probable result of an endeavour to cut Germany off from Western trade would be to turn her East towards Russia, the vast reservoir of raw material. However that may be, it can be shown that the imposition of Protection is calculated to exacerbate rather than ameliorate the after-war situation. In the first place it provides no solution of the problem of how to increase the aggregate of production. Imports being paid for by exports their exclusion does not increase production as a whole, however much it may divert it into different channels. But as the imposition

of duties must lead to the enhancement of prices, they must check consumption and consequently the demand for commodities. They are levied as a war measure for that very purpose. This restriction of consumption entails a lessened production and consequently a lessened demand for labour. Consequently Protection so far from providing a solution of the labour problem that we shall have to face is calculated to intensify its seriousness.

Indeed, certain considerations indicate that along such lines lies the possibility of revolution. To offset the rise in prices there has been since the outbreak of war an increase in nominal wages, in rate, or by way of war bonus. The workers have been told that the increase has been granted as a temporary concession for this economic reason. In any case there will be a bitter struggle on the part of the Trade Unions to maintain the present rate of wage after the war. But what will be the position if wage reduction is proposed whilst prices are maintained by Protection? Undoubtedly there will be provoked a struggle of immeasurable bitterness and which must result for the workers in lower wages together with high prices, for it is demand for labour in relation to supply and not the price of commodities that determines the wage rate above the subsistence level. It will be urged that as the employers will be making greater profits under Protection they will be able and willing to maintain the rate of wage. But if we consider the labour spheres in which the struggle will be precipitated we shall see that this argument is fallacious.

There has been formed between the Miners, the Railway-men and the Transport workers what has been called the Triple Alliance. This combination after the war will wield a power in industrial matters which obviously needs no elucidation. In the spheres of the production of coal and of transportation in which these combined millions are engaged, Protection can only operate detrimentally to the employers. Coal is exported and not imported, transportation is largely dependent on international trade. Will this vast labour army accept lower wages concurrently with the maintenance of high prices by a tariff? Assuredly not, and from their resistance will be provoked an industrial conflagration which may well take on the horrors of civil war. So it is not to Protection that the wise man will look for the means of industrial restoration.

Undoubtedly the only hope lies in fundamental economic reform, and as restriction offers no solution for the problem of increase of wealth production, it is to greater freedom we must turn. Wealth is the product of labour applied to land, and there can only be the maximum production of wealth when the land is put to its fullest use. It is now common ground between all parties that this is not the case with the soil of Britain, and that its potentialities are largely unexploited. But the few thousand men in possession of the soil of Britain and those who seek to maintain the social order based on land monopoly, while agreeing that the after-war problem must raise the land question, desire to work upon old lines. But no palliatives will suffice to meet the crisis before us.

This is clear in the light of the Report of the Committee on the settlement of discharged soldiers on the land.

Its main feature is that land is to be bought at £40 an acre and that it is to cost up to £1,000 to settle a discharged soldier. This would be but to make the soldier a slave of the soil. The failure for a similar reason of the present Smallholdings Act both in England and Scotland gives further proof that a new method has to be applied.

It is to be found in placing upon the value of land a proportion of the vast cost its defence has entailed. It is just and expedient that the value placed upon land by individual effort should not be taxed and it is equally just and expedient that the value given to land by the demand of the community should be levied upon for communal need. To do so would set up economic forces calculated to break down the withholding of land from labour and to compel

full use to go with possession. Such a method has been adopted in Australia, New Zealand, and Canada, and is in process of adoption in South America, and the enlightened peasantry of Denmark have returned a Government pledged to initiate this system. Whatever opinions may be held as to the justice and efficacy of the method proposed, and it holds the field in face of the failure of all palliatives, it is vain to imagine that even the former status of the British people can be re-established except by the full utilisation of the soil. We have abrogated the most sacred right, that of a man to disposal of his own body, and have empowered the State to force the citizen to fight for his country upon Continental battlefields. This fact will assuredly cause the community to perceive that the land should be regarded as a communal possession, and recognition of this fundamental truth is destined to influence profoundly the public mind, not in Britain alone, but throughout Europe, in the endeavour to find a way out of war-created industrial chaos and the mire of bankruptcy.

FAITHFUL OVER A FEW THINGS

[We have much pleasure in reproducing from THE PUBLIC (Chicago) the following appreciation of one man's work in the land values movement. Mr. Maguire, though personally unknown to the Editor of LAND VALUES, has for very many years been a subscriber and a helpful correspondent of this Journal.—Ed. L.V.]

It is a difficult thing for a man to get an honest estimate of himself from his fellows. If he die, the cannot read his obituary; if he run for office the praise of his friends is so mingled with the abuse of his opponents that he must conclude both are biased; and if he keep on the even tenor of his way he may hear no comment at all. Is there not a time in every man's life when, having performed the task committed to his charge, he is entitled to an estimate of his fellows, and to such an appreciation as he has earned? If he has betrayed his trust, or shirked, or blundered, little need be said; the consciousness of failure is sufficient weight for any soul. But if he has kept the faith; if he has forsworn the world, and clung to truth, it would seem that he had earned of his fellows a friendly smile, and an encouraging word. Besides, a hero is seldom a hero to his intimates. It is only when those at a distance proclaim him that the home folks take notice.

Early in the Singletax movement a man joined the Chicago Singletax Club for the purpose of aiding a cause dear to his heart. He could not make speeches, nor carry on a public debate, and he had little money to contribute. The first thing he found to do was to stand at the door, and hand out tracts to those who attended the meetings. Presently he added a few pamphlets—which he sold at cost. Then more pamphlets, and paper covered books were added, and finally a few bound books. All related to the Singletax, and all were sold at the lowest price that would sustain his venture—without pay for himself. And so this earnest man coined his heart's enthusiasm into service for his fellows by distributing literature. Week after week he has stood behind his little stock of books, tracts, and pamphlets. If the stranger could not buy a book, a pamphlet was suggested. That failing, a tract was pressed upon him. Years have passed, the man's hair has turned white, yet he still attends every meeting of the Club, eager to supply the stranger with food for his soul, and setting high the standard of service for the many earnest working men and women in the Club. It will undoubtedly please the many people who have noted this fidelity to know that the commercial house in which he has labored in a humble capacity has recognized his faithful service by giving him a life pension. The Chicago Singletax Club has had many zealous officers and members, who have given of their time and their money; but no one has exceeded the devotion of F. W. Maguire.

TWO POLITICAL ECONOMISTS ON THE LAND QUESTION

(From an address delivered at the Quarterly Meeting of the English League for the Taxation of Land Values at the Office, 376-7, Strand, London, on January 24th, 1916, by F. C. R. Douglas, M.A.)

Adam Smith's treatment of the theory of value, like much else in his great work, is incomplete and fragmentary, but we can discern in it the germs of the two great theories that have since competed for acceptance. On the one hand he talks of labour as the origin and measure of value; on the other he attributes value (in exchange) to value-in-use or, in the phraseology of a later date, to utility.

The classical economists, Ricardo, James and John Stuart Mill, Malthus and their followers, in so far as they have any theory of value accepted the labour theory. Ricardo, who is the most consistent, accepted the labour theory completely, but advanced a stage beyond Adam Smith in accurately stating the law of rent. Most of the others fell back upon the meaningless phrase "the law of supply and demand," and pretended that this explained everything. Supply and demand, as Henry George points out, are simply relative terms. The whole quantity of things in course of exchange constitutes the supply when looked at from one aspect, but it also constitutes the demand when looked at from another. If "supply and demand" themselves are not traced back to some more fundamental fact there is no explanation of origin of value, and it is at this point that the classical economists fail.

The other theory of which Adam Smith gives a hint, that value depends upon utility, found no one to develop it in this country until the time of Professor Jevons, and even in his hands it was but imperfectly worked out. The most perfect exposition of the theory is to be found in the writings of Boehm-Bawerk, Wieser, and other writers of what is called the Austrian school, but long before their day it was expounded by Hermann Heinrich Gossen (1810—1858), whose work only obtained notice long after his death and is even now little known. Jevons said that Gossen had "completely anticipated him as regards the general principles and method of the theory of economics."

Gossen's great work entitled ENTWICKELUNG DER GESETZE DES MENSCHLICHEN VERKEHRS UND DER DARAUS-FLIESSENDEN REGELN DES MENSCHLICHEN HANDELN ("Exposition of the Laws of Human Commerce and the consequent Rules of Human Action"), which was published at Brunswick in 1854, is particularly interesting to us on account of what he says as to the solution of the social problem. He is a thorough individualist, but he recognises that there must be great changes in order that the organisation of society be put on a just basis. These changes should consist in removing all hindrances to the free play of self-interest. There should be a removal of "impediments in man himself" through a good system of education, and removal of impediments to exchange by the establishment of a good currency—for this he thinks it sufficient that the State should guarantee the fineness of the metallic medium without minting it. Although the State must of necessity perform certain functions, he regards it as essential that its action be kept at a minimum, and accordingly he expressly declares that the removal of hindrances to the full and beneficent play of economic forces does not imply the abolition of private property; but he does not recognise that land is rightly a subject of private property, only the products of labour.

He fully appreciates the importance of the land question and argues that the community's right to the soil should be restored to it, so that everyone might be free to demand and obtain the use of as much of it as he required. Every industry could then choose the locality which seems