

# Britain and the Atlantic Charter

By DOUGLAS J. J. OWEN

A SURVEY of British opinion since our last letter must give first place to discussions of the Atlantic Charter. Its "Eight Points" for a "better future for the world" have been widely and eagerly debated, whilst the Ten Points of the Church leaders of December last, referred to in a previous letter, and which include the Pope's Five Points, are still the subject of public meetings and numerous study groups. We may also remember that there were once upon a time "Fourteen" famous and ill-fated Points sponsored by President Wilson. Are these last an omen or a warning of what becomes of well-meaning proposals when the public will is lacking or too weak to carry them through? All through the debate there stand out the Two Points of Henry George as a continuing challenge to builders of new worlds—Free Trade and Taxation of Land Values. These two are the lowest common measure of any successful reckoning of points for world peace. The Eight Atlantic Points are already having to submit to such tests.

One illuminating comment, for instance, was that of the Financial Editor of *The Manchester Guardian* of August 15. He pointed out that "the part of the Anglo-American declaration referring to trade is carefully guarded. Due respect for existing obligations may, for example, cover a very real reluctance to relax the tariffs and quotas by which most countries and groups of countries had contrived before the war to secure certain privileges. More particularly," he went on, "the phrase might serve to exempt from reform the United States import tariff and the Ottawa preferences for Empire trade. If that were really meant, there would be little sense in promising all states access on equal terms to the trade and raw materials of the world." This was an early recognition of the chief difficulty that will have to be overcome if the Charter is to be implemented, that is, the existence of vested interests in tariffs.

The Financial Editor proceeded to discuss the position of the Axis countries with regard to these tariffs. "It is," he wrote, "no doubt unfortunate that the old Axis term 'access to raw materials' has been loosely retained. There has never been any difficulty about access to raw materials for all who could pay for them." Quite so, and we seem to remember the similar argument of defenders of private landownership, that there is no such thing as land monopoly, as anyone can have access to land who can pay for it. The above writer goes on to instance large shipments and imports to Germany of copper, rubber and many other materials right up to the start of the war, as evidence of their having this access. But he also admits the vital point: "What was wrong was the difficulty of paying for raw materials by exports." Of course,

and that is just where tariffs by preventing exports from the purchasing country make it impossible for the transaction to be completed. The writer quoted sums up the position: "The key to post-war world trade is the readiness of the United States to open its market to greater imports."

In a letter by the present writer, parts of which were printed by *The Manchester Guardian* (August 19), it was pointed out that "this country itself, and the Dominions, will also have to be ready to accept greater imports if world trade and world peace are to be settled." So far as Great Britain is concerned we cannot forget that the Ottawa tariff system of 1931 was the alternative adopted in place of the system of taxation of land values which had been inaugurated by Snowden in his budget and which the National Government repealed, committing a gross breach of faith. And if the principle of Point Four of the Atlantic Charter is ever carried out against the pressure of trading and commercial interests who benefit by tariffs, the problem will remain of finding a fresh source of revenue to replace the import duties. This can only be done by taxing the land value fund, the only source of revenue in Great Britain so far untaxed. Thus Henry George's Two Points are essential to the Eight Points.

The qualifying phrase in Point Four which may vitiate the whole purpose of the agreement was referred to again at the important gathering of the Allied Governments in London, which was convened on September 25 to register their adhesion to the Atlantic Charter. The Foreign Minister of The Netherlands, Dr. van Kleffens, stated: "Existing obligations should not be perpetuated, even as exceptions, when it is clear that their continued operation would seriously impair or diminish the beneficial effect which is to accrue to all from the application of the general rule." After this warning, which was the official view of his government, Dr. van Kleffens went on: "In our present world, which is only the morrow of yesterday's world with its nefarious autarchic tendencies—the very opposite of the spirit expressed in the Atlantic Charter—we shall all have to do away, to some considerable extent, with measures designed to protect existing economic units. Since in the economic field protection engenders protection, there should not be left in being, in our opinion, important exceptions to the general rule of free access to trade and raw materials on the basis of equal opportunities for all."

Referring to this speech the same day, *The Manchester Guardian* said: "So unanimous was the mood of the conference that it gave one a mild shock of surprise to hear the Dutch Foreign Minister give his warning. . . . It was perhaps no bad thing that he should remind us that this was a conference, not merely a meeting of shareholders to pass the director's report without discussion."

On the same day as the above references there appeared in *The Listener*, the organ of the British Broadcasting Corporation, with a very wide circulation, the report of a broadcast address by Professor Allan Ferguson regarding the aims and objects of the British Association for the Advancement of Science, which was then meeting in London. The B. A., incidentally, have also drawn up a series of principles for the new world we are waiting for. What concerns us here, however, are the remarks of Professor Ferguson in his radio address: "The world is a unity—whether we like it or not, that is a fact—the nation, the Continent even, cannot now be considered a self-sufficient entity and man must school himself to this outlook or perish." After referring to the wonders of inter-communication in a way that recalls the opening pages of "Progress and Poverty," the Professor continued: "No less than thirty countries contributed to send us food, and the seasons were abolished; there was fresh fruit on the coster's barrow all the year round [in normal pre-war times]. On the average we spent, on each day of the year, no less than £750,000 on food brought into this country from abroad. And *this, surely, in a world that is not mad, is as it should be.* A policy of self-sufficiency spells a policy of poverty."

We have italicized the significant passage because this fact of the importation of foodstuffs into Britain to the tune of three-quarters of a million pounds a day has usually been cited as a source of danger, and as uneconomical by such people as protectionists, would-be planners, and even scientists, and the demand has gone up for tariffs on imported food, or subsidies on home-grown food, or both, in order to keep out food grown abroad. It is therefore like importing fresh air into the discussion to hear some common-sense from such an eminent scientist, who also stressed the necessity for wisdom in world planning after the war.

This wisdom will be all the more necessary in reconciling the ideas contained in Points Three and Four of the Charter. Point Three refers to the restoration of "sovereign rights," but if a number of sovereign states are to be set up in Europe and then encouraged by the example of the "great" powers to build another system of high tariff walls, then Point Four and equal access to the trade of the world will become a dead letter.

A further reference to the Charter was made in the October Trade Supplement of *The Times*, in a paragraph on Germany's industries: "In the last annual report of the I. G. Farben-Industrie concern, reference is made to the large proportion of its profit, which is derived from *ersatz* industries. Thus it has a very large vested interest in Hitler's policy of self-sufficiency, and probably no German concern can be more seriously affected by the implications of the Roosevelt-Churchill charter, which by restoring international trade, will put uneconomic industries out of business." Here we have an admission by an important authority of one side of the Free

Trade case. The industries that grow up in all countries under the skirts of protective tariffs may not be called "ersatz," but they are in reality what is described as the manufacture of effective substitutes for previously imported commodities, as for instance, in the I. G. F. B. production of Buna, or synthetic rubber. Such substitute industry is uneconomic in Germany and elsewhere.

This is not so obvious to some people. A curious comment is to be found in the pacifist weekly, *Peace News*, which is only quoted here because of the wide influence of the Editor, Mr. Middleton Murry, and also because it is typical of opinion on the "Left" of British politics. In an editorial on the *Times* quotation above, it is asked: "What does 'uneconomic' mean here? It means, incapable of making a profit when exposed to the full blast of free international competition. British agriculture, to take one example, is such an uneconomic industry. And, of course, if the Atlantic Charter really did mean the restoration of international free-trade, it would also mean that British agriculture would be destroyed all over again." This is an admission that British agriculture has to be subsidized and protected at the expense of the taxpayer and the consumer, which is doubly uneconomic, for it does the farmer no good, as any profits find their way into the landowners' rent account. Though *Peace News* admits the bad economy, it wants it to be preserved, rather than replaced by sound economy through free trade. "But of course," the article goes on, "the Atlantic Charter does not mean the restoration of international free trade. The Americans, the Dominions, are committed as deeply as Germany itself to a policy of high protection. How many 'uneconomic' industries in the U. S. A. would be put out of business if British or Japanese manufactured goods had free entry there!" Our pacifist Editor of *Peace News* seems somewhat mixed about the whole business. His further comment is: "The pretense of international free trade is a pure humbug. Germany is no more wicked in making her own artificial rubber than we are in trying to make decent field-glasses, or developing the manufacture of petrol from coal." That word "wicked" is good; it reveals some "ersatz" logic somewhere! Then we read: "The one condition of genuine international free trade is the economic unity of the world." This neatly puts the cart before the horse. But we had better follow it a little further, for it bears on our topic: "Only in a world-federation, assured of equal justice and stable peace, can the component nations allow themselves to be dependent for vital necessities upon the rest of the world. Moreover, they must be sure of being able to get them, quite irrespective of whether they can 'pay for them' or not. The idea of universal free trade at a universal profit is an illogical and preposterous idea—dead as a door-nail." Protectionists, isolationists in every country, and the armaments industries will welcome such arguments. They spell more tariffs, a lower standard of living, international friction, the building up of impregnable monopolies, all upon

the basis of the age-long monopoly of land, to perpetuate which is the chief of the evils of tariff systems.

*Peace News* admits there is an "ideal" in the Free Trade cause, but thinks "it will, alas, take us generations, perhaps centuries, to reach this condition." And instead of helping to speed its coming, the article says that, "In the meanwhile the best the world can do is to create, *by fair means or foul* [our italics], larger economic units, wherein the standard of life can be raised." This shows how far a pacifist writer will go in his refusal to see the light.

A comment on the contention that British agriculture must be preserved as an uneconomic industry, and that vital necessities must at the same time be got from abroad, "irrespective of whether they can be paid for or not," and all this rather than have "universal free trade at a universal profit," is provided in a press item at the time of writing. *The Daily Herald* (October 7) reports that Wing-Commander A. W. H. James, Conservative M.P. for Wellingborough, will ask the Chancellor of the Exchequer if he has noticed the growing volume of speculation in agricultural land. And then, if he has noticed it, he will ask what he proposes to do about it. Profits of up to 100 per cent. have already been made by speculators, says *The Daily Herald*. Farm land in many districts is now fetching twice, even three or four times, its pre-war price. "A leading London estate agent told me yesterday," says the *D. H.* reporter, "that nine out of ten of his enquiries were for farms, country estates and land. Some shipowners are putting money received as compensation for their sunken ships into farm land. Working alone and in syndicates they are scouring the countryside buying every acre that seems cheap to them. They have already made profits in some cases." This shows that somebody can make profits out of British agriculture, and it proves that speculation in land values is still the basic cause of national as well as international injustices, as Henry George diagnosed it to be. When this is recognized, his remedy also will be seen to be the only way to a better future for the world.

## Edward Coke and Henry George

By HON. HENRY H. WILSON

SIR EDWARD COKE (1551-1634) was the great repository of the Common Law in England. In his time all wealth, and all civil and most criminal law, had direct reference to land; and it may be said that the Common Law was the history of English land. After his removal as Chief Justice he became a leader in Parliament, and is known in history as "The Father of English Liberties." I doubt if his economics have ever been recognized. But from the following two excerpts from Campbell's "Lives of the Chief Jus-

tices of England," Coke seems to have had a very clear perception of the whole Georgian philosophy.

"The ex-Chief Justice worked diligently in his committee of grievances, and prepared a report exposing the illegal grants of monopolies to Sir Giles Mompesson, to Sir Edward Villiers, the brother of the favorite, and to many others, by which the public had been cruelly defrauded and oppressed. In answer to the argument of the courtiers that these grants were all within the scope of the King's prerogative, he said—

"The King hath indisputable prerogative, as to make war, but there are things indisputably beyond his prerogative, as to grant monopolies. Nothing the less, monopolies are now grown like hydras' heads; they grow up as fast as they are cut off. Monopolies are granted *de vento et sole*; of which we have an example in the patent that in the counties of Devon and Cornwall none shall dry pilchards in the open air save the patentee, or those by him duly authorized. The monopolist who engrosseth to himself what should be free to all men is as bad as the depopulator, who turns all out of doors, and keeps none but a shepherd and his dog; and while they ruin others they never thrive or prosper, but are like the alchemist, with whom *omne vertitur in fumum*.'" (Vol. 1, p. 319)

"It should be mentioned, to the credit of the Chief Justice, that during this session, although he propounded some doctrines on the subject of money which no class of politicians would now approve, he steadily supported free trade in commodities. A bill 'to allow the sale of Welsh cloths and cottons in and through the kingdom of England,' being opposed on 'reasons of state,' he said, 'Reason of state is often used as a trick to put us out of the right way; for when a man can give no reason for a thing, then he flieth to a higher strain, and saith *it is a reason of state*. Freedom of trade is the life of trade; and all monopolies and restrictions of trade do overflow trade.' On the same principles he supported a bill 'to enable merchants of the staple to transport woolen cloth to Holland.' And a bill being brought in 'to prohibit the importation of corn, for the protection of tillage,' he strenuously opposed it, saying, 'If we bar the importation of corn when it aboundeth, we shall not have it imported when we lack it. I never yet heard that a bill was ever before preferred in parliament against the importation of corn, and I love to follow ancient precedents. I think this bill truly speaks Dutch, and is for the benefit of the Low Countrymen.'" (Vol. 1, p. 322)

That Sir Edward Coke became one of the greatest landlords of England, instead of a "Leveller," may at worst be excused by the age in which he lived. But that he had such sound economic views is the surprising thing, both as to Sir Edward Coke and the Common Law, as well as early English institutions.