

THE SINGLE TAX.

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THE COBDEN CLUB AGAINST FREE TRADE.

OUR readers will be interested in an anonymous article in the current number of the *Westminster Review*, entitled "The Cobden Club Against Free Trade."

Quoting the declaration of Mr. H. W. Lucy—better known, perhaps, as "Toby, M.P."—in a recent number of the *Strand Magazine*, that he would "not be surprised to see His Majesty's present Government go to the country under the flag of Fair Trade," the writer says that this "sinister design" would be "favoured by the fact that . . . the economic education of the younger generation of electors has been sadly and singly neglected, and Free Trade principles have, as a consequence, to a large extent, lost their grip upon the people." "One of the chief causes of this recrudescence of Protectionist ideas, this general resurrection of Protectionist fallacies dead and buried long ago, is brought out (he continues) most clearly, yet most unconsciously, in the latest publication of the Cobden Club, a memorandum by the Committee on 'National Expenditure and National Income.' . . . A careful study of the pamphlet reveals the startling fact that the Committee of the Cobden Club do not know what Free Trade is. Small wonder, then, that the general public are befogged and bewildered, and fall an easy prey to the specious 'fair trader.' The Committee of the Cobden Club, we repeat, do not know what Free Trade is. Either that, or they have so tender a regard for the vested interests that hamper and well nigh throttle trade and industry, that they

prefer to stultify themselves rather than lead the assault against the citadel of monopoly and privilege."

The Committee of the Cobden Club, after giving the figures showing the growth of revenue from 737 millions sterling in 1870 to 1298 millions in 1900, say, "These figures by themselves furnish a testimony to the general soundness of the fiscal system which has until the present year been accepted by both political parties. Whatever theoretical objections may be brought against the system, or whatever may be its defects of detail, no one in face of these figures can deny that it has proved a marvellous instrument for raising revenue. We hold, however, that the system is as sound in its main theories as it has proved in practice." "'Sound in its main theories'!" exclaims the writer. "In the name of the prophet, figs! Do Free Trade principles involve nothing beyond the abolition of protective tariffs? That would seem to be all they mean to this Committee of the Cobden Club! The abolition of protective tariffs has, indeed, largely increased our Custom's revenue, and 'the resulting freedom of trade,' partial though it is, 'has permitted the commerce of the country to expand enormously, and that expansion has been followed by increased population, and increased prosperity, which, in their turn, have led to increased consumption'—and increased rents, . . . the enormous increase in the commerce of the country, and the resulting increased prosperity, increased population, and increased consumption have materialised in the enormously enhanced site-values of London, Liverpool Manchester, Glasgow, Birmingham, Newcastle-on-Tyne, and other great industrial and commercial centres. The workers, comparatively, have benefited but slightly from Free Trade. The bulk of the benefit has been reaped by the shirkers, who, sitting idly by, levy heavy tribute, in the shape of monopoly, inflated land-values, upon the trade and industry of the country. These things should be obvious to every man who has taken the trouble to master even the A, B, C of economics; but either they are unknown to the Committee of the Cobden Club, or the committee prefer to wilfully ignore them.

"Another elementary fact in economics is that before goods can be traded they must first be produced. Therefore, before trade can be truly free, not only exchange but production also must be free. But production can only take place on the land—man's only raw material, man's only foothold in space. Therefore, in order that trade shall be truly free, the land must be free, production must be free, and exchange must be free. These Cobden Club free-traders, it would seem, however, are content with freedom, and that only partial, of exchange alone!

"But not only do the benefits of Free Trade materialise in ground rents, the same will, on analysis, be found to be true of the advantages accruing . . . from public services, both general and local, of every kind

As Professor Thorold Rogers has well said :—' Every permanent improvement of the soil, every railway and road, every bettering of the general condition of society, every facility given for production, every stimulus applied to consumption, **raises rent.** The land-owner sleeps but thrives.' Surely it is not unreasonable to demand that the tax-gatherer shall awaken the sleeper, and make him understand that inasmuch as he reaps the benefits of public services, *he* must bear the burden.

"At present not only do the labour and capital of this country bear the burden of imperial and local taxation, they bear the burden of the landlord as well. Labour and capital pay, on a peace footing, £140,000,000 in rates and taxes, and then, because of the advantages thereby secured to those who live and work in this land of ours, the so-called 'owners' of the land levy upon labour and capital a rent tribute of no less than £200,000,000 for permission to live in the land of their birth and enjoy the public services, for which, not the landlords, but they themselves have paid! . . . Under our present fiscal system, that is to say, labour and capital have to pay twice over for public services, general and local—and they pay £60,000,000 a year more to the worse than useless landlord than to the State!

"The Committee of the Cobden Club, it would seem, know no more of the true inwardness of our fiscal system than the babe unborn! They speak of its 'general soundness,' 'theoretical objections,' 'defects of detail'! Surely, it would hardly be too much to say that the system is wholly unsound, that it is open to the gravest practical objections, and that it is defective in every detail."

The writer then deals with the suggestion of the Cobden Club Committee, that the £7,000,000 raised by the sugar duties and the coal tax might have been raised by increasing the existing taxes on beer, tea, tobacco, beer and spirit licenses, or incomes, and by not renewing the doles to the landlords. "By the methods here briefly indicated (say the Committee) it would be possible to raise an additional revenue of £25,000,000 to £30,000,000 without disturbing the existing freedom of any trade, and without imposing an unfair burden on any class of taxpayers."

But they say not a single word about the Land Tax. The writer of the article shows that already out of every 1/ spent by the working classes on tea 6d. goes on duty, and that out of every 1/ spent on tobacco 10d. goes in duty; and he contends that "Cobden Club ideas of what is fair or unfair in matters of taxation are of the queerest." "From the standpoint of a short-sighted expediency," he says, "it might be argued that an additional tax on beer, on tea, on tobacco, or on incomes would be preferable to the sugar duty and the coal tax; but, from the standpoint of principle, such taxes are, like the coal tax and the sugar tax, sheer robbery, and instead of being

increased they should be repealed as quickly as may be." The writer of the article shows that the doles to the landlords—the Rating Act doles and the Imperial grants in aid of the local exchequer, "grants in aid of the landlords," as Mr. Gladstone called them—total £13,500,000, "representing at the bank rate of 2½ per cent., a capital value of £540,000,000, or **enough to pay for the South African War twice over!**" And he urges that the Land Tax of 4/ in the £ now levied on the values of 200 years ago, should be levied on present values, and that the Rating Acts should be repealed. "This," he adds, "would net a revenue of some £42,000,000, and . . . that sum would not only meet the interest and sinking fund charges on the debt due to the present war, but would enable the Chancellor of the Exchequer to give payment of members and of election expenses, to abolish the breakfast-table duties, and to establish an old-age pension of 5/ per week for every person over the age of sixty-five."

The writer quotes Bright and Cobden in support of his contention that free trade involves free land, and in conclusion he says, "It is in this direction that true Free Trade principles point us. It is only by carrying out the taxation of land-values to its logical conclusion that the Free Trade ideal—that is to say, the abolition of all rates, and taxes, and monopolies that interfere with the free course of trade—can be realised. . . . It is open to the Cobden Club to help or to hinder those who, true followers in spirit of Bright and Cobden, are fighting for absolute free trade—free land, free production, and free exchange. It is open to them to help or to hinder; but should they choose the latter course, it is, we submit, hardly open to them to retain the name of 'The Cobden Club.' They ought in that case to adopt some such name as 'The Revenue-Tariff Club,' and apply for affiliation with the 'Liberty and Property Defence League.' For this fight those who are not with us are against us. To the realisation of true Free Trade, the mere 'revenue tariffite,' the half-and-half Free Trader, is an even greater obstacle than the Fair Trader or the out-and-out Protectionist.

"Must we write down the Cobden Club against Free Trade?"

The title of his article supplies the answer to that question, and our readers, we feel sure, will agree that that answer is the true one.

SEEING that men are born into the world without their own wills, and being in the world they must live on the earth's surface, or they cannot live at all, no individual or set of individuals can hold over land that personal or irresponsible right which is allowed them in things of less importance.—*J. A. Froude.*

OF course the fact that a chief or landowner has bought and paid for a particular privilege or species of taboo, or has inherited it from his fathers, doesn't give him any moral claim to it. The question is, Is the claim in itself right and reasonable? for a wrong is only the more a wrong for having been so long and persistently exercised.—*Grant Allen.*