

THE EFFECTS OF TARIFFS

To the Editor, *Land & Liberty*

SIR,—The January issue of *Land & Liberty* has just reached me, and I note with satisfaction the prominence given the tariff question, notably the comments on De Valera's attack on Free Trade.

I have always liked to quote "conservatives" in support of our principles whenever possible, and, looking backwards in the files of *Commerce and Finance*, I find the following, credited to the June, 1922, issue of the Monthly Letter of the National City Bank of New York, which reads as if written by George E. Roberts, then a vice-president of the bank and in charge of its publicity department. The caption was mine:

TRADE BARRIERS BEGGARING THE WORLD

"It is often said that tariffs themselves are not objectionable, but only tariff changes, since trade will adjust itself to tariffs and will go along if not required constantly to make fresh adjustments. But this argument overlooks the fact that where trade obstructions are employed to seek advantage there will always be others in reprisal, and while rivalry between nations is expressed in tariffs there is no reason to believe that a state of rest will ever be reached.

"It is a matter of grave concern that the tariff situation should have grown worse in a time when trade is so little able to bear the burden of tariffs and when the fullest possible flow of trade was never so badly needed. The nations and people of different nations have obligations to each other which require the transfer of goods between them, and when the transfer of goods is obstructed the drain of gold and the consequent currency depreciation and monetary disorder are correspondingly more severe. It would be to the advantage of the creditor nations if they would recognise this phase of the situation.

"With all the progress made in facility of transportation, communication and physical conduct of business, surely the policies of the nations are responsible for the fact that the trade between them has dropped off to what it was twenty or more years ago. Those who have advocated each country being self-sufficient may be satisfied with this showing, but manifestly the general well-being has suffered by it, living standards have been lowered, and the depression prolonged.

"The supreme need of the times is that the nations shall accept their common responsibility for the situation, and deal with it in a spirit of concession and mutual adjustment. The doctrine of self-sufficiency is influencing their policies to a degree never before known, and present conditions give evidence that the benefits to any one are illusory to the last degree, since to all the effect is impoverishment."—*Monthly Letter* of the National City Bank of New York, June, 1932.

Thus did George E. Roberts eight years ago expose the worse than futility of the Protectionist superstition, showing how our Smoot-Hawley Tariff Law had "prolonged the depression." Eight years have passed and the depression is still with us. There is an element of prophecy in that letter.

STEPHEN BELL.

Delawanna, N.J.
29th January, 1940.

The value of this paper does not end with YOUR reading it. Your business associate, your neighbour or your fellow worker may not have seen it. . . .

A FREE TRADE PRAYER, A.D. 1553

Miss Emily E. Kyle, in a letter to *The Times* (30th January) quotes from the Primer (published in 1553 by order of Edward VI) a Prayer for Merchants, which beautifully links sound theology with good economics, and inculcates a doctrine which is specially necessary for these days of war with bombs following on a war with tariffs.

"Almighty God, maker and disposer of all things, which hast placed Thy creatures necessary for the use of men in divers lands and sundry countries, yea, and that unto this end, that all kinds of men should be knit together in unity and love, seeing we all have need of another's help, one country of another country's commodity; one realm of another's gifts and fruits; We beseech Thee to preserve all such as travel by land or sea, for the getting of things that be necessary for the wealth of the realms or countries where they dwell, and not to bring in vain trifles and unprofitable merchandise to the enticing and impoverishing the commonwealth."

Miss Kyle apparently quoted this prayer for the sake of its concluding proviso, with French wines in her mind; but in these days there is merchandise far more "unprofitable," e.g., the war material which some American firms, full of sympathy, no doubt, for invaded Finland, are sending to Russia. But, if the Prayer were used at each session of the next Peace Congress, and acted upon, not only would the occasion for such trade in the means of destruction be done away with, but also such vexed questions as the return of the former German colonies would be peacefully solved by Universal Freedom of Exchange.

The official arbitrator fixed a price of £10,707 for the 1,015 acres compulsorily acquired by the War Department near Perranzabuloe on the North Cornwall coast. As we reported last month, the owners, the Penhale Estates Ltd. had claimed £30,000, maintaining that the land value was enhanced because in view of the war and the aeroplanes, the West of England had new attraction over the East as a place of living. The arbitrator, as it appeared, did not share their opinion, at least not to the same degree. But it is anomaly enough that land declared to be worth £10,707, or any figure, has no value whatever for local taxation purposes so long as it is undeveloped and unimproved. In this as in all such cases, under the rating law as it stands, the so-called award of the arbitrator is the very substantial and quite indefensible reward of the land speculator.

* * *

Hundreds of acres are now lying idle in and around our large cities and towns up and down the country. Having a fair knowledge of land cultivation, I should like to take Birmingham as an example. If we draw a five-mile circle from the city centre, outside that we find hundreds of acres of idle waste land, held by speculators, with boards "Land for Sale," waiting for builders and others to turn up and exploit it. I have seen such land lying idle for years. As building has virtually stopped and the war is on and we are asked to grow more food, I would suggest that the local authorities in each town or city should take this land over for the duration as early as possible.—W. H. G. ANSELL in the *Birmingham Post*, 12th February.