

As Henry George points out in his *Science of Political Economy*, it has been emasculated and perverted. It has been made the butt of everyone who has bricks to throw at the conception of liberty and the rights of the individual. So it was in this debate. The phrase originated with the French physiocrats, who had cried out *laissez faire et laissez aller* in a state of society where all industry and production was under the harrow of every sort of penalty and monopolistic privilege. They

cried out simply "Clear the way and let things alone"—"open the barriers and give to all an equal chance." It was to say "a fair field and no favour." The trouble is that the fair field has never been made available for industry, for instead of that we grant to a class in the community the greatest of all favours at the expense of others by permitting them to levy toll for leave of access to the earth without which no industry can exist.

W. R. L.

## SOCIAL CREDIT AND SOCIAL VALUES

In a recent address delivered at the Oxford Union, and subsequently reprinted in *Social Credit*, Major C. H. Douglas dealt with the question of taxation. His main theme was that the "unearned increment of association" cannot belong justly to any person or body of persons, but should be enjoyed equally by the whole community. "So far from taxation being a natural and inevitable state of affairs, it is an inversion of facts. The State should give, not take away."

By the "unearned increment of association" Major Douglas means the whole difference between what men working in a community under modern conditions can produce as compared with what a similar body of primitive savages working in isolation could produce. The difference, to use his own phrase, would be "colossal." In fact, the obvious conclusion to be drawn from the proposition that the whole of this difference belongs to the community is that we should have a system of communism or of absolute equality of income, irrespective of varying individual effort or capacity.

Let us look more closely at the idea of "unearned increment of association." A thousand men working in co-operation in the Hebrides, let us say, can produce a certain amount of wealth. A thousand men working together in co-operation in Manchester or London could produce a much larger amount of wealth. Why the difference? and who gets the advantage of it? Surely the answer is that the one group has a much more advantageous situation than the other, and that the owners of land reap the benefit in higher rents.

Major Douglas, however, eludes this simple point by assuming that land is of no importance in modern society. He says: "Because land in its natural state provided for the requirements of humanity until a few hundred years ago, by supplying grain for bread, fodder for herds and flocks, and stone for dwellings, land occupied the centre of the stage in regard to poverty . . . But with the advent of the industrial age it is not too much to say that the products of land form a very small proportion of the requirements of the modern individual if they are considered as finished products without industrial processes being added to them."

This assertion would be laughable if it were not so regrettable. Even in this age food, clothing and shelter are the prime necessities of life, and a very large proportion of the world's population is suffering severe privation for lack of them. It can hardly be supposed that Major Douglas believes that grain, herds and flocks and stone are produced from anything else than land, even to-day. The attempt to decry the importance of the land question appears to lie in the phrase "products without industrial processes being added to them." Where is it that these industrial processes are carried on that turn the raw materials of nature into the marvellous products which modern science has made possible? In the great industrial centres, where the value of land is measured in tens and hundreds of thousands of pounds an acre. At every stage in the productive process land reveals itself as a factor of overwhelming importance, as

the source from which all material things are derived and as the stance upon which they are worked up and distributed.

After this introduction it is hardly surprising to find Major Douglas saying: "It is a broadly accurate statement to-day that it is quite impossible to own any considerable quantity of land over a period of even two generations without having some source from which money is derived which does not arise out of the mere ownership of land itself." This statement is so fantastic that one wonders whether Major Douglas has ever heard of the Dukes of Westminster or the Astors or many other examples which are known to the whole world.

However, as this is Major Douglas's view, it is hardly surprising to find him saying: "We are witnessing in the world to-day a battle about the ownership of property, but it is no longer tangible property, because it is not tangible property which nowadays confers the greatest benefits; it is intangible property, represented by money, and money is actually made by one body of persons alone—financiers." Incidentally, Major Douglas does not explain how the financiers make this money, and why they do not make more of it. Aside from this, however, if we put the financiers into one group and gave them all the money in the world, and put into the hands of another group all the land in the world (not to mention the capital), let us ask how long it would be before the landowners owned all the money, obtaining it in exchange for giving the financiers a mere permission to live in the world at all.

The social struggle is indeed a struggle over the ownership of property, not over intangible property but over that very tangible property the land, which is the source of all wealth and the basic and continuing necessity of life itself.

Major Douglas comes very near the truth when he talks of the "unearned increment of association" which would provide a natural revenue for the State, dispensing with all existing taxes, but he does not see that the only unearned increment (apart from specially created monopolies) is the rent of land. The surplus production of labour over normal earnings is land rent. If it were taken for community purposes it would provide a real social dividend that would not be filched away again in the higher prices which are the nemesis of mere currency inflation.

F. C. R. D.

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