

products, is proof either of ignorance or of deliberate attempt to darken counsel.

As is the case with most fundamental reforms, the remoter implications of thorough Land-Value Taxation are perhaps more important than its immediate results. It has been indicated how it would affect the housing scandal by relieving houses from the burden of rates and throwing open new opportunities to building enterprise.

#### Opportunity for All

Equally important is its effect on employment. In the last analysis there is but one way in which men find employment, and that is by the application of their labour to the raw materials of the earth, which are all embraced in the term "land".

As Sir William Petty put it: "Labour is the father and land the mother of all wealth." It follows that just in so far as we allow barriers to stand between labour and land, work becomes scarce, unemployment spreads, and wages fall because of the competition of unemployed men. Conversely, it follows that just in so far as obstructions are removed and access to nature's workshop becomes easy,

work comes as a matter of course, self-employment becomes easy, and distribution of wealth becomes fair.

The present system of taxation, by encouraging non-use of valuable land (through its exemption from taxation when unused) and heaping the load on those who make proper use of their opportunities, provides a most formidable barrier between the would-be worker and the source of all wealth. The true remedy is not to build new experimental social orders, but to remove those obstructions which prevent the system we have from working properly. If, under free conditions, that system is still found to fail, it will be time to try another. The remedy for wrong is to cease the wrongdoing.

This removal of barriers against equal freedom to use the earth is the meaning of the reform here advocated; for, under it, all natural resources would be thrown open on fair terms to those who wish to earn their living and the fruits of their toil would be secured to them.

The foregoing article, adapted from a pre-war pamphlet by the late W. R. Lester, M.A., will shortly be available as a pamphlet for general distribution. Copies may be ordered now.

## CONVERTIBILITY

### *But Not For The Poor Englishman*

By J. FRANCIS EGGLESTON, A.I.B.

LAST month in my haste I wrote that the more international conferences (at Government level) the more confusion. I can now confirm this at my leisure. Out of the series of International Monetary Fund's conferences, culminating at Delhi, there has emerged a scheme of almost overwhelming shortsightedness, containing the seeds of its own destruction.

Sterling was built up on a thousand-year old coinage of silver, succeeded by a century or more when no fewer than 1,500 million golden sovereigns issued from the Mint on Tower Hill. One might think that such concrete facts would have influenced the minds of our monetary authorities, and that the few mediocre books of Keynes and his acolytes would have been brushed aside as the mere crackling of thorns under the pot of inflation. But no. The nonsense-talkers of Bretton Woods, Mexico City, Istanbul and New Delhi have sullied the fair name of Sterling. The very centre and core of Sterling is the gold sovereign. Sovereigns are legal tender for any amount yet the Briton is prohibited, by certain clauses of the 17,218 word Exchange Control, from holding them.

We now have "Convertibility for Foreigners only", and even then it is not convertibility on the Market in which all may join. It is convertibility into the Dollar which itself is not convertible into good gold coin. (Gold convertibility in the U.S.A. is for Central Banks only.)

To maintain its value a currency must be "homogenous". It must be what is best said in Latin: *Quod Semper Quod Ubique Quod Inter Omnes* — Always, everywhere, between all.

Currency that is good must pass freely over frontiers and from hand to hand, whether that hand be of a Dane, a Spaniard, a Japanese or that much-injured person, an Englishman.

Convertibility for foreigners brings at once two main types of Sterling into existence where there should be one, and one only. Internal Sterling and External Sterling will part company, will strain away from each other, will widen the gap, which ought never to exist. Just as the Dollar at 4.03 tore away from Sterling and left a new par of exchange at 2.80, so will "external" tear away from "internal" currency.

Now for the dollars. British business men have toiled and travelled, the craftsmen have schemed and devised, the financiers have used their prodigious savoir faire and ingenuity to open a broad highway between New York and London, free from discrimination and the absurdity of "token dollar imports". Yet these valuable members of the community have no automatic right to hold dollars. The gentlemen of the Bank of England are invested with enormous powers of prohibition to deny the elementary rights which Britons possessed for many generations. And the reasons alleged for this fatal policy would not pass the first few pages of an elementary book on Foreign Exchange, or a dozen words from Ricardo.

There is a great deal more to this question, and the arguing of remedy is possibly contentious, but, like a golden thread through our monetary life runs the precious word, so twisted and garbled, so sneered at, so rendered ridiculous by adjectives of casuistry—that word is FREEDOM.