

combined with the absence of tariff barriers between States, provided the greatest free trade area anywhere in the world.

Around 1900, however, came a turning point and the beginnings of decline — especially the decline of the individual's self-reliance. America today, writes Mr. Chase (as if she were the only country), "is cursed by the accumulation of unsolved problems and by the growing burden of the costs of government palliatives, Robin Hood-ism, and of official tampering with economic affairs."

"Alongside the eruption of racial strife, the land and all its natural resources have been allowed to fall into private ownership. Thus it is that the country reaps a harvest of crime, poverty, violence, hatred and disunity."

Mr. Chase describes in the most compelling and colourful way the conditions in the life of the people during the past one hundred years, comparing the rural life most people lived in the nineteenth century, their versatility and self sufficiency, their independence and flexibility, with the problems of the industrialised and urbanised society that followed.

"What has actually come to pass," he points out, "is that *access to natural opportunity* to produce is now so badly distributed that many have no chance to produce anything to put into the channels of exchange, and so can buy nothing — and are therefore *poor*."

Monopoly of natural resources and productive technological sophistication have simply relegated many to the sidelines. This is all familiar ground. So, too, is the author's excellent explanation of the cycle of business depressions, complete with a chart showing the striking picture of conditions between 1898 and 1961, the early ups and downs, followed by slumps and booms and the extraordinary abnormality of the business cycle.

On, on, "down through the valley of the shadow," as Mr. Chase calls it, the reader is given the farm problem, the over-growth of the government, the social effects of industrialism, and the effect on young people — and on the old — who are the victims of these conditions.

Finally, the problem of war — shared with all other nations — is tackled bravely. "He who taketh up the sword shall perish by the sword" quotes the author, and explains how, despite the overall logic of peace, war is consantly revived.

One of the best sections deals admirably with capitalists v. proletarians. In thinking that the ownership of *land and capital* is the basis for exploitation of the workers — or "proles" — little if any distinction is made by socialists between these two basic factors of production — land and capital — as to their origin, durability, their replaceability, or their susceptibility to monopoly.

The second part of this work, called hopefully "Up toward the Light of Reason," takes the reader to the heart of the matter; land, of course, is the indispensable basis of all human activity and life. Plainly there is plenty of land, suitable for all uses from agriculture to commerce and housing, widely distributed throughout America *but*

not in use, and only available at speculative prices.

The prevailing system of land tenure, its rights and wrongs, is pulled apart and viewed against a sound assessment of the essentials of public rights and private rights — which are, indeed, the economic basis of our ideals.

Among the wisdom and the numerous pieces of good advice that come out of this work, one prayer sticks in the memory: It is this:—

Give us the strength to change what must be changed,

The faith to bear what cannot be changed,

And the wisdom to distinguish one from the other.

Mr. Chase does not wait for that elusive moment in the future when he may have greater influence or more time to be persuasive: he has made the distinction one from the other, and in his wisdom has written this book.

A POINT OF PRINCIPLE

This extract from "Old and New Economic Liberalism" by Professor Eli F. Heckscher, the famous Swedish economist, which was published in Stockholm some years ago, has been translated by Mr. Ole Wang of Norway, a Vice-President of the International Union for Land Value Taxation and Free Trade.

SO FAR there is a high degree of harmony in free competition. But then there is another factor which we have so far intentionally not considered, namely, the natural resources. There is no need to point out that they have an importance for the satisfaction of human wants fully comparable to that of capital (saving) and labour. Furthermore, natural resources are available in a degree insufficient for all the purposes which they can serve, and it therefore follows that they must command a price which, by preventing a too high demand, will lead to such utilisation as is considered most important. Land, or building sites of various kinds, water power, mineral deposits, etc. must therefore have a value or command a price; and in many cases a very high price, seeing that they are indispensable and that their quantity has not been increased.

All this is true, but does not belong here. The question is not whether the natural resources should command a price, but whether this price should create an *income* for their owners — and there is all the difference in the world between these two questions. We have seen that *interest on capital* was not only a necessary price but was also *required as an income*, because otherwise saving would be very much reduced, but nothing similar applies to the profits derived from natural resources, ground rent or whatever you will call it. In other words; saving is a result of endeavour, of conscious human acting, but land, mineral deposits, water power, etc., are not in any sense the result of human activity. If interest disappears saving

will, to a more or less degree, stop; but if the rent attaching to natural resources is withheld from their owners, not a single acre of land, or ton of ore, or horsepower in a waterfall, will cease to exist. Therefore, the price of natural resources as an income for their owners can never become part of a harmonious economic system, however much some of the less discerning and less distinguished inheritors of the liberal political economy have tried to prove it.

(Here follow some considerations on personal natural gifts, which the author says cannot be considered in the same light as impersonal natural resources).

It therefore seems to me that it is impossible for a new economic liberalism to reject in principle the idea of the community appropriating the yields of the natural resources. Ricardo, who was the foremost expounder of the Law of Rent (even though not the first to discover it), was not in favour of this appropriation. However, rather than being the result of theoretical economic reasoning his aversion was, as far as I understand, due to a general idea that any state interference was inexpedient. The philosophy of the old economic liberalism scarcely deserves much respect. It is as a purely economic theory that it endures. As such its value has not appreciably diminished.

As is known, the school which advocates the appropriation by the community of the natural resources or their yield, is called *Georgeism*. It is a belief sometimes met with even amongst politically educated liberals, that *Georgeism* more or less coincides with socialism. No mistake could be greater. Far from coinciding with socialism, *Georgeism* is the most pronounced old school liberalism that now exists. It is even scarcely an exaggeration to say that the social view represented by *Georgeism* is that the state should collect the economic rent, but not be further concerned with economic or social life, and it is worth noting how many things *Georgeists* have in common with such ultra-individualists as Herbert Spencer.

The appropriation of the ground rent is often proposed to take the form of land-value or ground rent taxation. Like the problems of monopolies, it is a very complicated and far from easily realised programme. Its possibilities and limitations would necessitate an extensive discussion which does not belong here. What concerns us here is only the point of principle that this programme must form part of the new economic liberalism, which cannot fulfil its mission or live up to its teaching without it.

Cottoning on

EVEN the less financially minded citizen is cottoning on to the fact of inflation. Once anybody realises that the rise in the cost of living is simply a euphemism for a fall in the value of money (luckily for Governments, this has taken a very, very long time to sink in) he

shouldn't want to hold money any more. If he can get somebody else to lend him money, repayable at a discount in real terms, so much the better for the borrower.

— Margot Naylor, *The Observer*, May 30.

SUMMER LECTURES

A series of lectures with discussion will be held at 177, Vauxhall Bridge Road, throughout the summer, on Tuesday evenings from 7 p.m. to 9 p.m. You are cordially invited to attend.

15th JUNE

Is an Incomes Policy Practicable? V. H. BLUNDELL

6th JULY

The "Gap" in Economic Thinking N. K. GARDNER

27th JULY

Labour's Land Commission V. H. BLUNDELL

17th AUGUST

Town Planning in Modern Society P. R. HUDSON

31st AUGUST

The Whitstable Experiment (an illustrated lecture on the Land Value Survey carried out by the Rating & Valuation Association). V. G. SALDIJI

APPEAL

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R. W. FROST,
Treasurer.

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I bequeath, free of duty, to the United Committee for the Taxation of Land Values, Limited, the sum of £

MORALITY AND EXCHANGE CONTROL

(Continued from page 85)

those who support the theories of Communism.

If we were wise we would look upon exchange control as an enclave of Communist practice interposed into the economy of the Western world; an enclave from which may be launched further attacks upon human freedom. The right of every man and woman to buy and sell overseas exchange, and thus to freely choose for themselves what goods they shall buy from abroad, is essential to human freedom and dignity. It is a right that the bureaucrats and the politicians must restore to those from whom they have stolen it.

LAND & LIBERTY