

LAND & LIBERTY

[Incorporating LAND VALUES]

FREE LAND

FREE TRADE

FREE PEOPLE

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"Commerce is not Conflict."—Sir Hugh Bell, one of the speakers at the free trade conference held in London last month, claimed that commerce was not conflict, that free trade squares morals and economics, that the free trader had all to gain and nothing to lose, and that he could afford to be a free trader though all the rest of the world would be protectionist.

Commerce need not be conflict, but it is, to-day, and there lies some of the strength of the protectionist movement. Free trade should square morals and economics, but that there is a gulf between who can deny? Many a manufacturer quietly admits that in the abstract free trade is natural trade, and therefore just trade, but out in the open sea of commerce he feels and knows by experience that do what he will there are opposing forces to match his skill and ingenuity and make it harder all the time for him to keep his head above water. Those forces speak to him through economic law, and how to square the account with his moral code as a free trader becomes a problem. Who has not heard a staunch upholder of free trade declare that protection would pay him all right? There is a kind of a conflict in all such cases that leads to doubt, and through doubt, sooner or later, to vacillation and compromise—a conflict which is very real and which we believe can be traced to the monopoly that separates morals from economics and leaves the field of industry the shambles it is to-day.

The Lesson to be Learned.—When Sir Hugh Bell says that the free trader can afford to be a free trader though the rest of the world be protectionist, he seems to feel that the moral ground he occupies is not just what it might be. He is up against the question of what would happen if all the world became free trade. If it pays a free trader now in the midst of so much protection

how would he fare if the protectionist barriers to international trade were everywhere cast down and free and unfettered competition surged round him and his industry? The answer to that question is one that must take the free trader on to firmer ground than that held by the Cobden Club, or the Free Trade Union.

Our Special Brand of Free Trade.—We believe in free trade through and through, free trade in production as well as free trade in exchange. To maintain one part of the complete whole and allow the other to remain at the mercy of monopoly is bad economics and bad morals as well. Whatever "the gentlemen of the Cobden Club" may say, it is a truism that nothing can be exchanged or traded until it is produced; and he who would stand for free trade must first free the sources of production from monopoly, or tell us why he attaches no importance to this aspect of his creed. Meanwhile the special brand of free trade we labour under is because of its limitations the main cause of the modern movement for tariff reform. Hard times, bad trade, unemployment and millions always on the verge of starvation do not make a fetching appeal for support to a fiscal policy that has nothing to say to such industrial and social evils.

The Persistence of Protection.—It is a common practice with the average free trader to lament the growing influence of protection. He finds it always at his doorstep wherever he may find himself. He knows it is a wrong idea and at times he boldly enough drops everything else, and sets out to do battle with the prevailing ignorance. After the expenditure of a due amount of energy, time and money he stems the tide, but only for the time being. As Henry George has so well said in his PROTECTION OR FREE TRADE: "If, indeed, it be popular ignorance that gives persistence to the belief in protection, it is an ignorance that extends to questions far more important and pressing than any question of tariff—an ignorance that the advocates of free trade have done nothing to enlighten, and that they can do nothing to enlighten until they explain why it is that in spite of the enormous increase of productive power that has been going on with accelerating rapidity it is yet so hard for the mere labourer to get a living. In this great fact, that increase in wealth and in the power of producing wealth does not bring any general benefit in which all classes share, does not for the great masses lessen the intensity of the

struggle to live, lies the explanation of the popular weakness of free trade. It is owing to the increased appreciation of this fact, and not to accidental causes, that all over the civilized world the free trade movement has for some time been losing energy, and instead of the abolition of protection in Great Britain being followed, as was expected, by the overthrow of protection everywhere, it is not only stronger throughout the civilized world than it was then, but is again raising its head in Great Britain."

A Fair Weather Fiscal Policy.—Protection is again raising its head in Great Britain because hard times are here again. Two bad winters, or less, or any stagnation of trade from whatever cause, brings our fiscal policy to the bar of public opinion as if nothing had ever been done or said in its defence. Protection has been laid low often enough in argument these past twenty years, and lo! here it is again as stubborn as ever. A wave of prosperity sends it to sleep only to be roused into renewed activity when the spectre of unemployment appears. There seems to be something wrong somewhere. A fiscal policy that will only serve in fair weather must necessarily be sent below when the clouds that foretell an angry sea sweep down. In such circumstances the worker cannot very well be blamed if he can only judge the free trade principle to be something in the nature of a played-out superstition. In times of stress the worker is fair game for the protectionist. The tariff reformer gets a hearing while the free trader is put in the shame corner.

True Free Trade.—As Henry George argued: "That there is hunger in Great Britain still, and women and children still die of it, is not due to the failure of free trade but arises from the failure of the reformers to go on. Free trade has not yet been tried in Great Britain. Free trade in its fullness and entirety would indeed abolish hunger. True free trade, in short, requires that the active factor of production, labour, shall have free access to the passive factor of production, land. To secure this all monopoly of land must be broken up, and the equal right of all to the use of the natural elements must be secured by the treatment of the land as the common property in usufruct of the whole people. The partial reform miscalled free trade, which consists in the mere abolition of protection—the mere substitution of a revenue tariff for a protective tariff—cannot help the labouring classes, because it does not touch the fundamental cause of that unjust and unequal distribution which, as we see to-day, makes 'labour' a drug and population a nuisance' in the midst of such a plethora of wealth that we talk of over-production. True free trade, on the contrary, leads not only to the largest production of wealth, but to the fairest distribution. It is the easy and obvious way of bringing about that change by which alone justice in distribution can be secured, and the great inventions and discoveries which the human mind is now grasping can be converted into agencies for the elevation of society from its very foundation. True free trade would emancipate labour."

What Free Traders do not See.—"When it is conceded," Henry George continues, "that custom-houses must be

maintained and import duties levied, the average man will conclude that these duties might as well be protective, or at least will trouble himself little about them. When told that they must beware of moving too quickly, people are not likely to move at all.

"Such advocacy is not of the sort that can compel discussion, awaken thought, and press forward a great cause against powerful opposition. Half a truth is not half so strong as a whole truth, and to minimise such a principle as that of free trade in the hope of disarming opposition, is to lessen its power of securing support in far greater degree than to lessen the antagonism it must encounter. A principle that in its purity will be grasped by the popular mind loses its power when befogged by concessions and enervated by compromises.

"But the mistake which such advocates of free trade make has a deeper root than any misapprehension as to policy. They are, for the most part, men who derive their ideas from the emasculated and incoherent political economy taught in our colleges, or from political traditions now broken and weak. They do not present free trade in its beauty and strength because they do not so see it. They have not the courage of conviction, because they have not the conviction. They have opinions, but these opinions lack that burning, that compelling force that springs from a vital conviction. They see the absurdity and waste of protection, and the illogical character of the pleas made for it, and these things offend their sense of fitness and truth; but they do not see that free trade really means the emancipation of labour, the abolition of poverty, the restoring to the disinherited of their birthright."

The Working of Blind Forces.—"Even the most energetic and public-spirited of these men are at a fatal disadvantage when it comes to a popular propaganda. They can well enough point out the abuses of protection and expose its more transparent sophistries, but they cannot explain the social phenomena in which protection finds its real strength. All they can promise the labourer is that production shall be increased and many commodities cheapened. But how can this appeal to men who are accustomed to look upon 'over-production' as the cause of widespread distress, and who are constantly told that the cheapness of commodities is the reason why thousands have to suffer for the want of them? And when confronted by the failure of revenue reform to eradicate pauperism and abolish starvation—when asked why in spite of the adoption in Great Britain of the measures he proposes, wages there are so low and poverty so dire, the free trader of this type can make no answer that will satisfy the questioner, even if he can give one satisfactory to himself. The only answer his philosophy can give—the only answer he can obtain from the political economy taught by the 'free trade' text books—is that the bitter struggle for existence which crushes men into pauperism and starvation is of the nature of things. And whether he attributes this nature of things to the conscious volition of an intelligent Creator or to the working of blind forces, the man who either definitely or vaguely accepts this answer is incapable of feeling himself or of calling forth in the others the spirit of Cobden's appeal to Bright."

The Inspiration of a Great Cause.—"Thus it is that free trade, narrowed to a mere fiscal reform, can only appeal to the lower and weaker motives—to motives that are inadequate to move men in masses. Take the current free trade literature. Its aim is to show the impolicy of protection, rather than its injustice; its appeal is to the pocket, not to the sympathies. Yet to begin and maintain great popular movements it is the moral sense rather than the intellect that must be appealed to, sympathy rather than self-interest. For however it may be with any individual, the sense of justice is with the masses of men keener and truer than intellectual perception, and unless a question can assume the form of right and wrong it cannot provoke general discussion and excite the many to action. And while material gain or loss impresses us less vividly the greater the number of those we share it with, the power of sympathy increases as it spreads from man to man—becomes cumulative and contagious.

"But he who follows the principle of free trade to its logical conclusion can strike at the very root of protection; can answer every question and meet every objection, and appeal to the surest of instincts and the strongest of motives. He will see in free trade not a mere fiscal reform, but a movement which has for its aim and end nothing less than the abolition of poverty, and of the vice and crime and degradation that flow from it, by the restoration of the disinherited of their natural rights and the establishment of society upon the basis of justice. He will catch the inspiration of a cause great enough to live for and to die for, and be moved by an enthusiasm that he can evoke in others."

Remission of the Hearth Tax after the Great Fire.—The LONDON GAZETTE contains (in No. 87), under date September 13th, 1666, notification that Charles II., "pursuing with a gracious impatience His pious Care for the speedy Restauration of his City of London, was pleased the Twelfth instant to pass in Council his Declaration to His City of London upon that Subject," and one of the points is that "to encourage the work by his example, His Majesty will," besides taking certain other steps,

"remit to all persons that shall erect any new Buildings, according to his gracious Declaration, all Duties arising from Hearth-money, for the space of Seven years, as by the Declaration itself more at large appears."

Mr. Walter C. Bell, who mentions this remission in his recent book THE GREAT FIRE OF LONDON, explains that this Hearth Tax was a tax of 2s. a year on every hearth in houses liable for church and poor rates, and also deals with its subsequent history. The remission—temporary though it was—of this Hearth Tax is a precedent to be followed. Instead of the Great Fire we have had the Great War, and what is wanted is that Parliament—"pursuing with gracious impatience its pious care" for the better housing of the people—should remit all rates and taxes on houses, and base rating and taxation on the market value of the land alone.

London Land-values after the Great Fire.—In his famous Diary, under date December 3rd, 1667, Samuel Pepys quotes Sir Richard Ford, who was in a position to speak with knowledge,

"that the common standard now reckoned between man and man, in places where there is no alteration of circumstances, but only the houses burnt, there the ground, which, with a house on it, did yield £100 a-year, is now reputed worth £33 6s. 8d.; and that this is the common market-price between one man and another, made upon a good and moderate medium."

Thus, as is said by Mr. Walter G. Bell, in his book above-mentioned,

"A common basis of valuation of City land after the Great Fire was that the annual site-value was one-third of the combined rental of the house and ground."

Under modern conditions it would be considerably higher, as may be inferred from the figures of the actual valuations of other large cities, set out in the Appendix to Mr. A. W. Madsen's recent publication, LAND VALUE RATING.

"Betterment" after the Great Fire.—After the Great Fire, Parliament passed in 1666 "An Act for rebuilding the City of London," 18 and 19 Car. II., c. 8. This Act (which is set out in Statutes of the Realm, 1819, Vol. V., p. 608), in making provision for the laying out of new streets, etc., provided (Sec. 23) that where land is taken for these purposes, compensation should be paid, the amount of that compensation being settled either by agreement or by a jury empanelled specially under the Act, and also provided (Sec. 24) that where properties became more valuable in consequence of these improvements, the owners should contribute, in accordance with the principal now known as betterment, the amount of that contribution being ascertained in a similar way. The preamble to this "betterment" provision is:

"And forasmuch as the Houses now remaining and to be rebuilt will receive more or lesse advantage in the value of their Rents by the liberty of Air and free recourse for Trade and other Conveniences by such Regulation and Inlargements,"

and it authorizes the Jury

"to judge and assess upon the Owners and others interested of and in such Houses such competent summe or summes of Money with respect to their severall Interests in consideration of such improvement and *melioration* as in reason and good conscience they shall think fitt."

Mr. H. B. Wheatley, in his edition of PEPYS' DIARY (vii., 224-5) quotes this provision, and says that this principle of "melioration"—or "betterment"—was included in the Act by the influence of Sir Matthew Hale. This principle, however, does not go nearly far enough. The land has been provided by Nature, and the community is entitled not merely to the increase in value due to specific improvements that they have made, but to the whole value that attaches to the land in consequence of their presence, activity, and demand for it.

The I.L.P. Land Policy.—Dealing with the rating question at Manchester, October 3rd, Mr. Philip Snowden advocated a capital levy which would enable the Imperial Exchequer to come to the rescue with grants in aid. Then, he added, there was the old proposal for the rating of site values. The power to rate land values and to buy land to hold prospectively would provide almost untold wealth for municipal authorities.