

are mostly the descendents of the liberated American negro slaves who colonised Liberia from 1820 onwards. In 1847 they produced a Declaration of Independence and a constitution closely parallel to that of the United States of America. The original settlers made a rigid distinction between the Christian colonists and the native heathens under their jurisdiction. The country was divided between American-Liberians and "natives." The colonists kept the coastal strip for themselves; the rest they called the Hinterland and kept out of it as much as possible. Only owners of land could claim citizenship, thus excluding "natives," who owned theirs tribally and on a communal basis. They asserted a real superiority of brown over black. As late as 1930 the League of Nations found slavery in Liberia. These people made little attempt to educate or Christianise the natives, only to keep them firmly in their place.

Matters have changed a lot—and for the better—since before the war, writes Mr. O'Donovan, but the distinction between the two classes still exists in Liberia to-day. So long as wealth and power remain vested in Americo-Liberians, who disdain manual labour, form the country's land-owners, politicians, lawyers and ministers, there seems small chance of radical reforms in Liberia.

The oppression of African by African through the instrument of private property in land is an object lesson to those throughout the continent struggling for independence. Political reforms alone are not enough. Equal rights to use land and to share in its value must also be secured if there is to be justice and an end to poverty.

Justice William O. Douglas, a member of the United States Supreme Court said (December 18), "Unless loans and grants are tied to democratic leaders, who will work in their countries to abolish feudalism, we waste our money and perpetuate the causes that breed Communism. A feudal system that begat Communism in Russia will begot Communism elsewhere, unless it is supplanted by a democratic system."

THE FALLACY OF THE EXPORT DRIVE

Mr. W. H. Jones, Chairman and Managing Director of W. H. Jones & Co. (London), Ltd., a firm of buyers, confirmers and shippers, has made the following reply to the campaign organised by the *Mercantile Guardian* to enlist budget aid to increase exports:—

With over fifty years' practical experience of Export we can do no such thing, for on the contrary we want to lend all our weight, without any qualification, against any such campaign.

Taxation is too high for everyone and should be brought down for everybody's good including exporters who, with others, would share both directly and indirectly in the benefits of such reduction.

The emphasis on export to the detriment of home consumption shows how topsy-turvy things have become and the policy advocated would accentuate and help to perpetuate the present difficulties and topsy-turvyness.

The only sound way to cheapen exports is to cheapen living here which cannot be done by showing

What Nehru Wished To Do

Most Indian cities can be divided into two parts; the densely crowded city proper, and the widespread area with bungalows and cottages, each with a fairly extensive compound or garden, and usually referred to by the English as the Civil Lines. It is in these Civil Lines that the English officials and business men, as well as many upper middle class Indians, professional men, officials, etc., live. The income of the municipality from the city proper is greater than that from the Civil Lines, but the expenditure on the latter far exceeds the city expenditure. For the far wider area covered by the Civil Lines requires more roads, and they have to be repaired, cleaned-up, watered and lighted; and the drainage, the water supply and the sanitation system have to be more widespread. The city part is always grossly neglected and, of course, the poorer parts of the city are almost ignored; they have few good roads, and most of the narrow lanes are ill-lit and have no proper drainage or sanitation system. They put up with all these disabilities patiently and seldom complain; and when they do complain, nothing much happens. Nearly all the Big Noises and Little Noises live in the Civil Lines.

To equalise the burden a little and to encourage improvements, I wanted to introduce a tax on land values. But hardly had I made the suggestion when a protest came from a Government official, I think it was the District Magistrate, who pointed out that this would be in contravention of various enactments or conditions of land tenure. Such a tax would obviously have fallen more heavily on the owners of the bungalows in the Civil Lines. But Government approves thoroughly of an indirect tax like the *octroi* which crushes trade, raises prices of all goods, including foodstuffs, and falls most heavily on the poor. And this most unsocial levy has been the mainstay of most Indian municipalities, though, I believe, it is very slowly disappearing in the larger cities.—Jawaharlal Nehru, *An Autobiography*. Published 1936 by John Lane, the Bodley Head.

partiality or favouritism to one section to the detriment of all other sections of the community.

The Commonwealth Premiers' Conference has opted for convertibility of currencies—it is along such lines that sanity and remedies lie. If the pound was free its value for a time *might* decrease—better thus than continuing to live in a fool's paradise of unreal and fictitious make-believe values. The ability to buy freely even if costs rose because the pound declined would show consumers in no uncertain manner what is hidden from many of them to-day, namely the more they in turn produce the more the overseas value of the pound will increase and their own living costs recede. Exactly the reverse has been the case for many years past. The remedy this campaign advocates would add to the process whereas our need is to stop and reverse it.

Special budget aids defeat their own ends. They would add to the exporters' burdens and would not, and could not, last, for the dose would need to go on increasing to the destruction point.

The dice is loaded against British exporters, simply by reason of our own tariffs and restrictions. It would be costly to differentiate between duty bearing or duty free imports. Both in practice and in theory this is a thoroughly bad principle which adds disease to disease and makes the real cure even further removed.

Foreign competition is spoken of as of an evil. It should be welcomed, it is what we have wanted for years. Let us buy and use what others can produce or do better than we can. Have we given up believing in our own prowess and ability to be in the forefront of quality and development? Not a bit of it. Furthermore, despite all theories or arguments to the contrary, goods in the main must still pay for goods, especially if currencies are freed from the bondage of Government control and direction.

Recently papers were crowing because our overseas visitors here had brought in millions in tourist

income. A week later we announced a cut in our own travel allowance in half. Equally illogical is the belief held by some, even to-day, that you can sell without using or buying.

Many of the arguments used in support for the campaign to enlist budget aid to increase exports in fact point the need for freedom of imports. The *Mercantile Guardian* would give better service to export and exporters if it helped to unfasten some of the chains the Government have around us already instead of advocating fresh things which would rivet still more rules, regulations, exemptions or discriminations on us. We want to be left alone in the freest possible conditions to rise or sink according to the good or bad decisions we make. Away with crutches and palliatives! Let consumers reign supreme and greater happiness for all, both here and overseas, would quickly emerge.

THE CHANCELLOR'S POLICY FOR THE POUND STERLING

To the Editor, LAND & LIBERTY.

Sir,

A few weeks ago I had a short conversation with the Chancellor of the Exchequer, Mr. R. A. Butler, my political opponent at Saffron Walden, at the General Elections, 1950 and 1951. He told me that it would be some time before the pound sterling was strong enough for him to think about restoring convertibility. I replied that only by restoring convertibility could the pound be made strong. That is the difference, the tremendous difference, between us. I am more positive than ever that I am right and he is wrong.

Mr. Butler believes in the "planned economy"—It appears that he is now trying to "plan" the Sterling Area. There is only one way to save sterling and that is to abandon all thoughts of maintaining the Sterling Area.

Sterling has to be a currency that knows no boundaries to the area of its circulation or it will not survive. Sterling is the currency of our country—what the Governments of other countries may, or may not, do is outside the control of our Government, whether they are Sterling Area countries or not.

In fact Sterling does not circulate at all freely within the Sterling Area. There are currency barriers between every separate part of the Sterling Area as any banker or businessman will know.

It is true that there are fixed parities between Australian pounds, South African pounds, Indian rupees, Pakistan rupees and Ceylon rupees, for instance, but they are parities that cannot, and will not, be maintained just to satisfy Mr. Butler's plan of what things should be.

The demand now is that the various members of the Sterling Area family should deliberately impose cuts in their imports, and hence in their exports, so as to hold the Area together—in the same statement the ultimate object of complete convertibility is referred to more than once together with the wholly irreconcilable idea of at all costs maintaining the unity of the Sterling Area. It just cannot be done.

The Sterling Area is an extension of the Imperial Preference concept, the ring fence round the Empire,

"what I have I hold" idea. It will fail. The Sterling Area will disintegrate. The pound will become worthless in this country and everywhere else.

The only policies by which our people may be saved are the following:—

1. Agree upon a settlement of our so-called sterling balances. It is in the interest of our creditors that they should receive good pounds at some future date with interest on the outstanding balance in the meantime, rather than bad pounds in dribs and drabs.

2. Free the pound by making it convertible into any other currency in the world. Freedom alone will enhance its value.

3. Give the pound body by reductions in Government expenditure and corresponding reductions in taxation, at the same time freeing our ports for all the imports of food, feeding stuffs, raw materials and manufactures we can persuade other people to send us in exchange for our fortified pounds.

4. Finally, when the pound has proved its value, by trial and error, against other currencies and against gold in the market places of the world, it should be tied once more to gold at its new parity and thereafter should be made freely convertible also into gold. Gold is the best monetary material anyone has ever discovered. Then, and not before, will the pound be good as gold once more.

In this way alone can the pound be saved. It cannot be done by planning from the centre. It cannot be done by restricting imports and cultivating exports. That way lies unemployment, starvation and defeat for our island people. It is up to the Radicals amongst us to ensure that our own children and grand-children are spared such a fate.

Yours truly,

Saffron Walden.

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