

THE GEORGEIST CASE IN FRANCE

DURING September and October some very useful work has been accomplished by M. Daudé-Bancel on behalf of the principles of economic liberation. He has contributed articles to the newspapers *Cité Nouvelle*, of Rouen, and *Journée du Bâtiment*, of Montpellier, to the monthly *Coopération de Production*, and, more at length, to the bi-monthly review, *L'Année Politique et Coopérative*, the last two published from Paris. We are also interested to notice an article by M. T. Grecques in the *Cité Nouvelle*, protesting against the increased taxation upon houses, commodities and production, while land rents, which are continually rising, pay only a low, fixed charge.

M. Daudé-Bancel's articles are concerned with taxation reform and its relation to wages and the cost of living. These subjects are of particular importance when we consider their direct bearing upon the recent strikes, Communist disturbances and changes of government. French politicians, until recently at least, have been even more prone than our own to suggest that wages can be raised and prices lowered by leaving everything to the magic of official decrees and regulations.

M. Bancel recalls his readers' attention away from such chimeras to the reality of taxation as it exists, not as it appeared to the imagination of a university expert of great repute, who declared that taxes were paid by only four millions of the population of France—and was promoted for his great wisdom to the office of Minister of Finance under the Vichy Government. This great savant's pronouncements are in the tradition of the discussions on taxation, as recorded by that keen observer, Anatole France, in his history of *Penguin Island*. The orator, Morio, pleading "exclusively in the public interest," won the applause of the Elders when he pointed out that this interest "did not require them to demand much taxation from those who possess much, for then the rich would be less rich and the poor still poorer. The poor live on the wealth of the rich, and that is the reason why that wealth is sacred. To touch it would be an uncalled-for evil." This fiscal genius advised the Council, "Tax people according to what they consume. That would be wisdom and justice. . . . let the rabble pay!"

The Vichy economist, it seems, included in his calculations the milliard-and-a-half francs collected by income tax, and the two milliard paid by industrial and agricultural undertakings. He omitted as negligible the 37 milliards paid in indirect taxes by the 43 million Frenchmen.

For the three years, 1946-1948, the taxation figures, as given by M. Bancel, per head of population, work out as follows:—

Direct: 1946, 1,857 fcs.; 1947, 4,124 fcs.; 1948, 7,525 fcs.

Indirect: 1946, 4,250 fcs.; 1947, 7,472 fcs.; 1948, 10,375 fcs.

It will be noticed that some effort is now being made to bring direct more into line with indirect taxes; but both kinds of taxes, as levied at present, and the obligatory contribution to social sources, discourage production to an unprecedented extent. M. Bancel gives taxation figures to show that if an employer raises a workman's wages by 100 fcs. the effect of the resulting taxation and contributions would be to double the cost of the article produced. As a consumer the workman would lose double the amount of his wage increase. For a mechanic, an overseer and an engineer the amount each pays in taxes represents, respectively, 12 weeks', 15 weeks' and

19 weeks' wages. In 1914 half the average family expenditure went to pay for food; in 1947, three-quarters.

In 1914 there were 668,000 civil servants in France; in 1946 there were 1,478,000. "From an economist's point of view," remarks M. Bancel, "we are almost in the condition of Nineveh, Greece, Italy or Byzantium at the period of their decline; or, nearer to our own times, in the condition of France under Louis XV and XVI. Unless the State mends its extravagant ways worse catastrophe will follow." The decline in the value of the franc itself is due to the failure of the State to balance its expenditure, despite the fact that the proportion of taxation has risen from 14 per cent. of the national income in 1913, to 30 per cent. in 1946. The consequences of this taxation can be summed up in the words of Henry George: "Tax manufacturers, and the effect is to check manufacturing; tax improvements, and the effect is to lessen improvement; tax commerce, and the effect is to prevent exchange; tax capital, and the effect is to drive it away."

"But the whole value of land may be taken in taxation, and the only effect will be to stimulate industry, to open new opportunities to capital and to increase the production of wealth." Here, says, M. Bancel, is the remedy for the problems which confront the French people and their Government; and the remedy, although it has nowhere been carried into full operation, has proved itself in a variety of different countries, despite the criticism of the misinformed.

Some may object that the remedy is subversive. "If this is so," says M. Bancel, "the implication is that it is better to perish in an orthodox way, refusing even a partial application of the Single Tax, rather than try and save ourselves by unorthodox methods. It means that the Government must give up any really effective struggle against the cost of living."

As an influential member of the French co-operative movement, M. Daudé-Bancel has many opportunities for expounding the principles formerly advocated by the late Charles Gide, Henri Sellier and Sam Meyer, the last a victim of Nazi brutality. Single Taxers in other countries will be encouraged to know how ably M. Bancel makes use of these opportunities.

THE U.S.A. CONSTITUTION

THE Supreme Court of the United States decided unanimously on May 3rd, 1948, that the Constitution proscribes the enactment and enforcement by any State of land laws which deny to "all persons" the "equal right" to occupy and hold land, within the domain of that State.

The case is *Shelley v. Kraemer*, 334 U.S. 1, and the concurring separate opinion by Mr. Justice Frankfurter is even more vigorous about this protection in the Constitution than the words in the main opinion.

Not so many years ago this same Court ruled that "slaves" were private property, secured by provisions in the U.S. Constitution. (*Dred Scott v. Sanford*, 19 How. (U.S.) 393.) It can not be forgotten that those who were told by the Court that they could "own" another man, fought, bled and died in the effort to defend that ownership.

In 1868 the U.S. Constitution was amended (14th Amendment) to try and make impossible a return of slavery, in any form or degree, but not until May 3rd, 1948, was this provision passed on squarely by our highest Judicial body, in respect of "rights" in the field of land tenure. Eminent authorities attach far-reaching