

LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

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SURVEY OF GENERAL ELECTION RESULT

The Prime Minister, Mr. Clement Attlee, having decided to appeal to the country, Parliament was dissolved on October 5. The General Election took place on October 25, resulting in the defeat of the Labour Government, which is succeeded by a Conservative administration headed by Mr. Winston Churchill as Prime Minister. The following table gives the complete summary of the votes, including the figures for the postponed election in Barnsley.

Composition of previous House	Parties	Number of Candidates	Votes Cast	Composition of new House
299	Conservatives and allies	617	13,730,642	321
315	Labour	617	13,949,105	295
9	Liberal	108	730,552	6
2	Irish Nationalist	3	92,790	2
0	Irish Labour	1	33,174	1
0	Communist	10	18,028	0
0	Miscellaneous Independents	19	54,977	0
<hr/> 625		<hr/> 1,375	<hr/> 28,609,268	<hr/> 625

The Conservatives gained the day but with the tenuous majority of only 17 over all the others, which has since been reduced to 16 by the appointment of the Speaker (Mr. W. S. Morrison) out of the ranks of the Conservatives.

The Liberals, who were so badly stung at the 1950 election when only 9 of their 478 candidates were elected, put up only 108 candidates on the present occasion. Of them, only six were elected; and 66 of them having less than one-eighth of the total votes cast forfeited their £150 deposit. The six elected are J. Grimond, for Orkney and Shetland; E. R. Bowen, for Cardiganshire; Hopkin Morris, for Carmarthenshire; D. W. Wade, for Huddersfield West; Clement Davies, for Montgomery, all members of the late Parliament; and A. F. Holt, for Bolton West, who is new to the House. J. Grimond alone was dependent on a purely Liberal vote, he standing in one of the 102 triangular contests. The other five Liberal M.P.'s had no Tory opponent. In their case it was a straight fight with Labour and they are in, helped by Tory support. There were two other straight fights with Labour—Lady Violet Bonham Carter in Colne Valley (with Winston Churchill's personal blessing and support) and J. Junor in Dundee. Both failed by a small margin. Members in the late Parliament who lost their seats were Lady Megan Lloyd George, Anglesey; E. Granville, Eye; A. J. Macdonald, Roxburgh and Selkirk; and E. Roberts, Merioneth.

A striking feature of the election is that while the Conservative Party has its overall majority of 17 in the House, it had a minority (1,147,984) of the total votes

cast (28,609,268) in the country. Of the members on the Conservative side four Ulster Unionists were returned unopposed; therefore the votes cast for the Conservatives should be related to 317 of their members. This works out at an average of 43,300 votes for each elected Conservative; 47,280 for each Labour; and 120,000 for each Liberal.

In the previous House, the Labour Party had an overall majority of five. At the General Election of 1950 it secured 13,295,736 votes out of 28,769,477 and was therefore in a minority of 2,178,005 in the country. Still more anomalous was the result of the Election in 1945, which gave the Labour Party its "great victory," when out of 640 then in the House it had an overall majority of 146 but in the country it was outvoted by 1,103,874 votes; with 11,971,464 it had secured 393 seats whereas all others with 13,075,341 votes had secured 247. If a general election may be regarded as a *plebiscite*, we can see how irrational all this is.

Over and over again since 1945 the charge was levelled at the Labour Party that, having a minority of the votes cast, there was no popular mandate for the measures it rushed through, often by use of the guillotine, the kangaroo and other big-stick methods.

Now the boot is on the other foot, or to change the metaphor, the chickens have come home to roost, much to the embarrassment of the Conservatives. It is amusing to see that already the spokesmen of the Labour Party are having their fling at the expense of their opponents. They, the Labour Party, are the largest party in the State and they have secured a bigger vote than ever

before. The Conservatives are in a minority of the total number of votes cast and now the Conservatives have no mandate to proceed with such policies as they affect! That argument will be trumped up continually, we may be sure, in the coming days, so carefree and unconscionable these contestants are. They are willing to accept the accidents of the electoral system with its single-member constituencies and returning in each constituency that candidate who has a majority, whether large or small, so that the voters supporting the opposing party or parties fail to have any representation. The minority in each constituency and the minorities in the aggregate are in effect disfranchised, to which the defenders of the existing system make the specious reply that if my candidate fails in my constituency, I am compensated by the election of a member of my party in some quite different part of the country. So it is alleged that Labour and Liberal voters in the Conservative south are "represented" by the Labour men or Liberals in the industrial north, in the choice of whom they had no voice whatever. It is altogether haphazard, undemocratic and unjust. The amazing thing is that both Labour and Conservative parties, despite their experiences in 1951, 1950 and 1945, have definitely set their faces against Proportional Representation, rejecting that just and democratic principle, aspiring only to *power* if the "luck of the polls" will only favour them. Yet the lesson of these last three General Elections should surely sink in or parliamentary institutions will more and more be brought into disrepute.

The curious and falsely representative way in which the British electoral system works is more glaringly shown by examination of the results in the three-cornered contests of which, as stated, there were 102. (In some few cases there was a fourth candidate whose vote was so small that it can be left out of this count; but the more candidates there are for any constituency, only one of whom can be seated, the greater are the anomalies that can arise.) For the three parties in these 102 constituencies the votes cast, the seats gained and the votes per seat were:

	Votes	Seats	Votes per seat
Conservative	2,209,663	67	32,980
Labour	1,904,620	34	56,010
Liberal	566,940	1	566,940
	<hr/>	<hr/>	<hr/>
	4,681,223	102	45,890

In strict proportion to the votes as they were here cast, conditions being as they are, the Conservatives would have had 48 seats, Labour 42 and Liberal 12. But given Proportional Representation and with that applied over the whole scene, far wider issues are raised. Under free choice, every vote having an equal value, none wasted in hopeless encounters, none given against political conviction or actually withheld (as for example many Liberal votes were) the scene would be entirely changed.

As it is, we notice that among those 102 returns, 25 Conservative and 12 Labour members got in by a minority vote. In the case of those Conservatives now holding 25 seats the aggregate vote was 524,410 for and 709,296 against; in the case of the Labour members holding the 12 seats the vote was 240,374 for and 274,241 against. Is this not a travesty of democracy? It is not a happy picture.

My Neighbour's Landmark. By Frederick Verinder. His classic "Short Studies in Bible Land Laws." Memorial Edition. 3s. 6d.

QUESTIONS TO CANDIDATES

Questionnaire submitted to all Parliamentary Candidates by the United Committee for the Taxation of Land Values—

1. Do you accept the argument that the value attaching to any land, as distinct from the buildings or other improvements thereon, is due to its situation and other natural advantages and that this land value rightfully belongs to the community?
2. Do you agree that the value of land, apart from buildings and improvements, should be appropriated as public revenue before any tax is imposed on the work of man's hands?
3. Will you urge that the next Finance Act provides for the levy of an annual tax at a uniform rate per pound on the actual market value of all land whether used or not, the revenue so derived being used to reduce or remit taxes upon wages, buildings, industry and trade?
4. Will you promote legislation whereby local rates shall be levied on land values, exempting houses, shops and other buildings and improvements?
5. Do you stand for the repeal of the Derating Acts by which at present industrial premises pay only one-quarter rates, and agricultural land, however valuable, is virtually exempt, whereas householders, shopkeepers and other occupiers are heavily burdened?
6. Do you agree that the assessments of rateable values now being made under the Local Government Act, 1948, are absurd, inequitable and in fact unworkable, and should be abandoned forthwith?
7. Will you press for the immediate abolition of the development charges exacted under the Town and Country Planning Act, 1947, and the consequent repeal of its financial and State monopoly provisions.
8. Do you advocate the removal of protectionist tariffs and the establishment of Free Trade for British imports whatever may be the fiscal policies of other countries?
9. Will you urge the abolition of the purchase tax and of all indirect taxation on necessary consumable goods which by raising prices add to the cost of living and diminish wages?
10. Are you in favour of ending the Exchange Control so that the Pound shall find its own level in a free market thus permitting trade in both imports and exports to adjust itself naturally?

Replies were received from 106 Conservatives, 34 Labour and 31 Liberals. In addition a number wrote that they answered questions only if put by constituency voters, and many sent their Election Addresses.

Conservative Candidates' Replies

The greater part of the 106 replies from Conservative candidates were in the same terms, indicating that the Conservative Central Office had issued a directive, whereby also both they and the candidates themselves paid considerable respect to the United Committee's approach. In every case these answers were written or typed in full, over personal signature, as if they were an original production. Occasionally they were adapted or supplemented to declare a more individual attitude. As for the "stereotyped" reply, if we may call it so, it can be regarded as a statement of Conservative official policy so far as Land Value Taxation and Free Trade are concerned and it is here printed without meanwhile indulging in most tempting comment:

Nos.1-4. "I am unconvinced by the arguments upon which the proposals for the taxation of land values are

based. When the Simes Committee on the rating of Site Values publishes its Report, I shall study its conclusions carefully.*

No. 5. "De-rating was introduced to relieve the burden on productive industry and agriculture. I should not be willing to support a proposal that might in any way increase the costs of production. On the other hand, I am fully aware of the financial difficulties of local authorities and of the need to ensure that they have the resources to carry out their functions. It is the policy of the Conservative Party to overhaul the system of local finance and the methods of raising local revenue. I am sure that this is better than trying to consider by itself any one alteration such as the reversal of the de-rating arrangements."

No. 6. "The Conservative Party has stated in 'Britain—Strong and Free' that the overhaul of local government finance which it will undertake, will include the review of the new basis of valuation for rating which Conservatives strongly criticised during the passage of the Local Government Act, 1948."

No. 7. "I shall support a drastic alteration of the financial provisions of the Town and Country Planning Act, 1947, so as to remove the deterrent effects of that Act on desirable development."

No. 8. "No."

No. 9. "I should like to see Purchase Tax, particularly on necessities, reduced as soon as possible but I cannot commit myself in advance to supporting specific tax concessions without knowing the exact financial situation with which we shall be faced."

No. 10. "It would be an object of Conservative economic policy to restore conditions in which it would be practicable to make the £ convertible and abolish exchange controls."

Labour Candidates' Replies

The answering Labour candidates were so comparatively few that it would be unsafe to treat their expressed attitude as a "microcosm" of the party as a whole. One candidate is exceptional; Mrs. J. M. Hart, for Bournemouth West (she was not elected), gives a direct "no" to all the questions. There is a consensus among all the others accepting the argument as stated in Question 1, and most say "yes" to Question 2. But the outstanding feature of the replies is that the Labour Party, with these candidates as spokesmen, opposes amendment of the assessments under the Local Government Act (Question 6), refuses to consider abolition of the development charges of the Town and Country Planning Act (Question 7), is against the abolition of the purchase tax (Question 9) and is not in favour of ending the Exchange control (Question 10). The majority agree that the Derating Acts, as described in Question 5, should be repealed.

In the matter of Free Trade, the candidates show much conflict. "Do you advocate the removal of protectionist tariffs . . . ? (Question 8). A frank "yes" comes from H. Hynd, elected for Accrington, from C. R. Bence, elected for Dumbartonshire East, from H. M. King, elected for Southampton West; but a direct "no" from W. H. Oldfield, elected for Manchester Gorton. John Paton, elected for Norwich North, gives a conditional "yes" if the removal is by international agreement and strikes out the words "whatever may be the fiscal policies

of other countries," thus revealing himself as a Protectionist. T. Greenwood, elected for Rossendale, "supports tariffs when they are designed to protect British labour against competition from sweated labour in other countries." Among the defeated candidates, five give a direct "no" to the removal of tariffs, two give a direct "yes," others would act conditionally on what other countries will do, and Barrister N. Stogdon, who stood for Gosport and Fareham, in Hants., is forthright in his negation "because this would create unemployment."

There remains to note the confusing and contradictory attitudes to the Taxation and Rating of Land Values. What can one make of spokesmen who give "yes" to Question No. 1 and give "no" or are uncertain as to the three following questions? Yet such are the answers of H. M. King, now M.P., and of the (defeated) candidates C. H. Davies, of Carshalton, W. H. Hallsall, of High Peak, and W. L. Taylor, of Lanark. John Paton, now M.P., treats the local rating of land values as "a highly debatable proposal which cannot be answered in short compass." His companion is C. R. Bence, now M.P., who has to say, on the rating of land values, "I am not quite clear on this." Another example of confusion and contradiction is S. J. Andrews, who unsuccessfully contested Ripon. He agrees as to the nature, origin and proper destination of the value of land (Questions 1 and 2) and yet declines to urge the levy of taxation, either national or local, on the value of land apart from improvements. This hesitancy, indifference, ignorance and even hostility is astonishing in view of the past pledges and actions of the Labour Party in both municipal and parliamentary fields. The great majority of the 287 local authorities which have in recent years petitioned Parliament for the necessary legislation were Labour controlled; and it is hardly necessary to instance also the Snowden Finance Act of 1931 and the tremendous agitation of the London Labour Party which culminated in the presentation by Herbert Morrison of the L.C.C. Site Value Rating Bill of 1938.

For the rest, some of the candidates replied in meaningless general terms like Mrs. C. S. Ganley, ex-M.P. for South Battersea, who wrote: "I am in favour of improving the condition of the people of the country by all means which the economic development of the world renders available whatever their positions may be and of giving the fullest opportunity to all to serve the community." Others like David G. Logan, who was returned M.P. for the Scotland division of Liverpool, could not say more than that "I am prepared to support any of the measures which may be brought forward by the Labour Party." This attitude is as good or as bad as that of the Conservative candidates who sent along their dictated replies. It is a tragic comment upon the state of British politics that both the dominant parties are regimented from above, the candidates surrendering their independence and taking credit for a self-effacing loyalty.

Liberal Candidates' Replies

Seventeen of the 31 candidates who replied gave an unqualified "yes" to all the questions. With them can be bracketed seven others whose reservations were of a minor nature. Three were more hesitant or refused to pledge themselves on certain aspects of the Land Values Policy. In addition some, like Philip Fothergill (Oldham) and V. M. Shaw (Paisley) wrote expressing general sympathy with the Committee's aims. The outstanding advocate of Land Values Taxation and Free Trade was

* The "Simes Committee," see p. 106.

Mr. Harry Pollard, who stood for Ilford North. Concentrating his whole campaign on those subjects, he adopted for his Election Address the text of one of the leaflets as published by the United Committee, which was thus sent, under the free postage, to all the 50,000 electors in the constituency.

Listing the candidates, the seventeen referred to above were: Deryck Abel (Torquay), H. D. Bentliff (Southport), H. Brinsley Bush (Watford), Roy Douglas (Bethnal Green), C. J. Kitchell (South Shields), R. F. Leslie (Darwen), D. E. Moore (Bridlington), G. Owen (Chertsey), D. Phillips (Woolwich West), H. Pollard (Ilford North), B. Richardson (Westbury), E. Rushworth (Brandford South), O. Smedley (Saffron Walden), G. Thornton (Walthamstow South), W. Watson (Hampstead), R. A. Winch (Wembley North); and D. W. Wade, elected for Huddersfield West. The seven who had minor reservations were: Lady Abrahams (Nottingham East)—retain purchase tax on purely luxury goods; T. M. Banks (Bebington)—tariff abolition will take time because of existing contracts; Paul Baker (Dulwich)—no direct knowledge regarding rateable assessments (Question 6); G. J. E. Rhodes (Harrow East)—reciprocal tariff abolition might come first; L. Maclaren (Hendon South)—“no” to repeal of Derating Acts and would get rid of development charges only if (Question 3) a Land Value Tax was levied; K. Jupp (Hendon North)—abolition of tariffs impracticable unless done in conjunction with a Land Value Tax; E. Harrison (Middleton and Prestwich)—would abandon the bad assessments of the Local Government Act, 1948, only if a Land Value Tax were substituted. Seeing that all the foregoing give an emphatic “yes” to Questions 3 and 4, which would automatically deal with Derating, the Town and Country Planning Act and the present rateable assessments, the reservations made with regard to the latter are neither here nor there.

The replies of three other candidates deserve notice. J. B. Frankenburg (Berwick-on-Tweed) favoured the rating of land values; contrariwise he would not repeal the Derating Acts, nor abandon the existing rateable assessments, nor do anything about the development charges except “review” them; and he was against the levy of a national tax on land values. Allan Batham (Reigate) would not urge or promote either the taxation or the rating of land values, although he would “strongly favour parliamentary enquiry into the future possibilities of this.” Consequently he would let the development charges stand until the case for L.V.T. has been examined. G. Walker (Barnsley) hesitated about the repeal of the Derating Acts, thought the unscrambling of the Town and Country Planning egg was almost impossible and did not go the whole way in exempting buildings from rates. Otherwise, it was a rational enough answer. He believed in the private ownership of land, private owners being stewards for the country, but that taxation of land values was correct. So far so good. The present artificial conditions of suffocated development, which he mooted as obstacles, will just have to be overcome as they can be. All three of these candidates were emphatically in favour of Free Trade “whatever may be the fiscal policies of other countries.”

Progress and Poverty. By Henry George. An inquiry into the causes of industrial depressions and of increase of want with increase of wealth—the remedy. Pocket-size edition 3s. 6d. Large-type library edition 8s.

IS THIS THE VOICE OF LIBERALISM ?

The rating and taxation of land values are not of *immediate topical interest*. This is the only possible interpretation of the “Supplement to Liberal Candidates’ and Speakers’ Handbook” published by the Liberal Publication Department, September, 1951. In the foreword the anonymous Editors declare they have selected and bought up-to-date only certain chapters of the 1950 Handbook which are of “immediate topical interest.” Nowhere in this 88-page supplement is there even a passing reference to the transference of rates from buildings and other developments to land values. The justice and expediency of progressively reducing the burden of taxes which fall upon the work of men’s hands and of raising revenue in such a way as to destroy privilege and stimulate production is completely ignored.

Apparently Liberals are not concerned by the brakes on development and gifts to vested interests involved in the Town and Country Planning Act. Seemingly they have no objection to the absurd, unjust and unworkable revaluation of property provisions in the 1948 Local Government Act. They appear not to disapprove of the Derating Acts which, by freeing “agricultural” land from all contribution to local revenue, and favouring industrial hereditaments, enrich landholders, throw an additional burden on homeowners and by raising the cost of land for building restrict the erection of new houses. Not only is there no call for revision or even “review” (an innocuous word and policy favoured in other contexts) of these three evil Acts: they are not once mentioned. Yet three pages are devoted to the housing problem, which “is above party ends and political propaganda.” They include an eleven-point policy which recommends a *review* of the Rent Restriction Acts to allow a 25 per cent. increase in controlled rents to enable necessary repairs to be carried out by property owners, and the building of even smaller houses. It is a policy of fewer dog kennels and more rabbit hutches with no hint of how to increase the supply of land, labour and building materials which alone will solve this great human problem.

Free trade fares little better than land, taxation and rating reforms. In the 1950 pre-Election edition of the Handbook this issue was of sufficient urgency and topical interest to warrant devoting eight pages to it. Imperial Preference, protective tariffs, quantitative trade restrictions, etc., were condemned therein and listed for repeal. But the revised “brought up-to-date” supplement dismisses free trade in these words: “An immediate *review* of the rates of tariff to reduce the artificially high prices of consumer goods to the public.” Just that; nothing more.

What then are the issues which the Editors of this Supplement consider immediate? They urge support for U.N.O. and “heartily approve” of the Colombo Plan even though it “must involve sacrifices by countries with high living standards”; they attach “great importance” to the Convention of Human Rights (which is silent on men’s equal rights to the source of all wealth and accepts tax-robbery as unalterable), and they declare European Unity as a major goal of Liberal foreign policy.

To the forefront of Liberal domestic policy are plans to increase “productivity”, an ugly word beloved by Liberals even more than by materialistic Socialists. This, they say, should be achieved by “practical inducements to greater efficiency”, specifically by co-ownership, profit-sharing and bonus incentive shares. The word “induce-

ment" should be carefully noted; it is not a policy for free men. Government expenditure should be reduced (though not apparently, by damming up the flood of money poured into landowners' pockets via the Hill Farming Act, compulsory land purchase schemes and other Socialist measures) and food subsidies retained until they can be replaced by the Party's Income Tax Reform and Social Security proposals. With certain qualifications the nationalisation of coal, civil aviation, gas, railways and electricity is supported. The nationalisation of road transport and of iron and steel is condemned. Waste and extravagance in the various fields of the Welfare State is deplored and "ruthless pruning" of "enormously swollen administrative staffs" is recommended.

The virtues of economic freedom are given place in the section devoted to monopolies and restrictive practices. The condemnation of these evils and the absence of equivocation and paternalism is refreshing. Taken together with the demand for electoral reform, the sponsorship of the Liberty of the Subject Bill (partial though it may be), the call for the repeal of war-time emergency legislation and opposition to the principle of the closed shop, the fact emerges that liberalism within the Liberal Party is not quite dead, parlous and precarious though it may be. But to denounce monopolies while tamely calling for a *review* of tariffs and ignoring the flying buttress of monopoly—the ever-present land question—is to tilt at windmills.

"IRRITATING AND REPREHENSIBLE"

Purchase tax was forcefully condemned in a vigorous campaign waged by the *Daily Express* and *Sunday Express* during the Election period. The October 14 edition of the latter paper, for instance, carried a double line banner heading right across its front page which read: "How to reduce the cost of living and still bring in the money." Bold sub-titles urged: "(1) Take the Purchase Tax off essential goods," and "(2) Reduce the taxes on beer and cigarettes." Elsewhere in the paper a quarter-page advertisement urged support for the *Daily Express* campaign. It condemned the purchase tax as reprehensible and irritating—which we endorse—and called upon readers to demand pledges from their political candidates to abolish it.

The Beaverbrook press did not base its opposition to the purchase tax on grounds of justice. There is no word of the wrong involved in robbing a man of the result of his toil by this or any other means. To eliminate purchase tax on *essentials*, and to reduce the taxes falling on beer and cigarettes, meeting the cost by reducing national expenditure the *Sunday Express* declares is "a fine scheme." But, it says, there is *another expedient*. It is to increase taxes which do not bear on the cost of living. Quoted examples are a Capital Gains Tax, designed to fall mainly on Stock Exchange speculators, and those who gamble successfully a part of their (already heavily taxed) incomes on football pools, horses and dogs; and an Excess Profits Tax, which would fall particularly upon monopoly companies and rings which fix and maintain prices at high profits levels. The injustice of the first and the superficiality of the second proposal is evident.

Land-Value Reform in Theory and Practice. By J. Dundas White, LL.D. With outline of legislation presented in the form of a Parliamentary Bill. 2s.

TWO LIBERALS

(They should come to terms)

To the Editor, LAND & LIBERTY.

Sir.—I am in receipt of your circular relating to the question of Free Trade and the Taxation of Land Values. As a Liberal I have no hesitation in endorsing your views on Free Trade.

But as a Radical I cannot under any circumstances support your ideas on Land Value Taxation. If you examine the proposals of your own literature, you must realise that the policies you are trying to reconcile are as opposed as the North and South Poles. Free Trade is a great and worthy cause. Why it has to be linked to such a fallacy as L.V.T. is beyond my comprehension.

To free the workers as you so glibly proclaim from taxation would need a fairly stiff tax on land, even assuming maximum economy in government. This means that the burden of taxation falls on all landowners, householders, whatever their means, factory owners, whatever their scale of production, agriculturists, whatever their scale of working. It exempts capitalism, it opposes the participation of workers on industry. It seeks not equality of opportunity, nor the democratic unity of industry, but the penalisation of people according to their land-holdings, not according to their ability to pay.

This type of legislation could unanswerably drive old-age pensioners and the like with fixed incomes from their own homes, discourage home ownership and in addition cripple those producing food. If I were faced with the prospect of a candidate who could not answer "No" to questions one to six of your questionnaire and "Yes" to questions 7-10, it would be my duty to vote against him or to abstain.

When you stop the activity of your society in slinging mud at Liberals, who are the only party of Free Trade, because they will not tolerate this iniquitous, "worse than Communism" policy of L.V.T. I shall have more respect for you. My best advice to all L.V.T. supporters is to join the Communist Party. At least we know the implications of their policy of Land Nationalisation, but this policy of Taxation of Land Values strikes at the very essence of Liberalism.

Yours faithfully,

E. J. BEVAN,

Bristol, 6.

Member of the Liberal Party Council.

To the Editor, LAND & LIBERTY.

Sir.—Herewith a cheque for 10s. for LAND & LIBERTY for a year. Whether I shall have time to read it or not I don't know: I haven't opened the free copy you sent me; but I have been advocating the taxation of land values for over fifty years so I think I had better make my annual contribution.

I am sorry you are now mixed up with Free Trade. I got you to send me a copy of Henry George's *Protection and Free Trade*. I read it carefully and came to the conclusion that it is out-of-date. I don't believe that Henry George would have written it if he were alive to-day.

He says that low wages don't mean low prices. What about Japan and Germany? He really wrote a lot of nonsense. His "best fitted" argument does not mean a thing to-day. No country is best fitted to make motor-cars, for example, or to build ships, except that Switzerland would not qualify.

On page 39 he asks why it should be good for a man to become wealthy by accumulating things and bad for a nation to let imports exceed exports. The man who accumulates things has paid for them by one means or another. A nation cannot import unless it exports or has foreign investments. In this country we are getting into a very dangerous position because we cannot export enough to pay for our imports.

He says on page 40 that trade is profitable when imports exceed exports, which is nonsense and impossible, yet on page 72 he admits that exports must balance imports. That is reasonable.

I really don't like this Free Trade stuff and I don't think you require it. I am not a Protectionist. I should like to be guided by circumstances.

Yours faithfully,

PETER J. SOMERVILLE.

Fulham, W.14.