

### THE FISCAL QUESTION ON ITS MORAL SIDE.

"The broadest and most far-sighted intellect is utterly unable to foresee the consequences of any great political change.

"Ask yourselves on all such occasions if there be any element of right or wrong in the question, any principle of clear natural justice that turns the scale. If so, take your part with the perfect and abstract right, and trust God to see that it shall prove expedient."—Wendell Phillips.

Accepting this proposition, we undertake to show that there does exist a standard of right or wrong by which the merits of Free Trade as against Protection may be tested. The law of Equal Freedom provides the test. By that law each and every man possesses the right to satisfy his wants in such way as he may think best, provided he abstain infringing the equal right of other men. Thus I have the right to exercise my powers of production in any way I like (*i.e.*, make anything I like), provided I do not interfere with others doing the same thing. However, the actual making of useful articles is not the only way in which it is possible for me to use my powers productively. Some parts of this world offer more favourable conditions for the production of certain articles than do others, and by the law of Equal Freedom I have, if I choose, the right to avail myself of this circumstance, and carry goods from places where they are easily produced to other places where they are produced with greater difficulty. Not only have I this right, but all others also have it, for the exercise of it by all does not interfere with freedom of action on the part of anyone.

In a word, every man has the moral right to carry goods from one place to another, which no other man nor body of men (community) is entitled to interfere with. But, says the Protectionist, in carrying goods to my country, you are depriving my countrymen of work, and so doing them an injury, violating the law you have yourself laid down.

In saying this he assumes the very point at issue, for does not the Free Trader assert with equal confidence that so far from depriving anyone of work, the result is greater well-being for all? This is the point on which the contraversalists cannot agree—so, is any appeal to first principles possible? We maintain that the appeal can be made to man's natural rights. Who will deny that, in the very nature of things, men possess the natural right to move what belongs to them from one place or country to another? And what is more, the harmony of Nature's law is such that we may rest assured that whenever a man acts within his rights, he acts beneficially not only to himself but to Society as well. If the action is right, we may be sure that all benefit by its exercise—that is, greater general well-being results.

Free Traders maintain that individuals ought not to be prevented from exchanging goods, or made to pay the State when they do so. When Protectionists assert that they should, the onus of proof clearly lies with the Protectionists. It will not do for Protectionists to say that they approve of the interference only when the goods are carried from countries where this invasion of natural rights (a Protective tariff) is at work. They will still have to show that because a false step has been made in some part of the world, other parts should follow the example.

Protectionists would have the State prevent, or make men pay for doing what in the nature of things they have a perfect right to do.

This artificial interference with the law of Equal Freedom results in the manufacture by the State of a crime when no crime in reality exists—where there is no violation of moral law—for it is made a punishable offence for men to conform to the law of Equal Freedom. In the King's name it is pronounced a crime for men to obey Nature's law, so that an action which is admittedly morally right is turned into an offence against the law of the land. A condition of

justice is one under which no man can truthfully say that any of his rights are denied him. Justice, then, must be violated whenever hindrances are opposed to men moving goods from one place to another. In a Protectionist State pure justice does not rule.

Or look at the matter from the point of view of the right of individuals to exchange goods. Individuals trade—not nations. Protection, therefore, interferes with the liberty of individual action. It is not possible to conceive of any right on the part of the State to interfere with freedom of exchange between individuals, for no State can divest the individual of the right he has to exchange goods where and when he likes.

It will not be denied either by Protectionists or Free Traders that every man has a right to the product of his labour—even as against the State itself. But note the effect of a Protective tariff. It is to add to the cost of the articles which are subject to it, which means that the people who consume these articles are forced to give more work than otherwise would be needed in order to get them. This is equivalent to a drop in the wage of these people. The earnings of some people are therefore reduced. But the tariff has also the effect, in some cases, of increasing the price which home manufacturers can get for these articles, because foreign competition is shut out. Therefore, the earnings of these manufacturers are artificially increased. So, by artificially taking from some earnings, and artificially adding to others, Protection violates the law that each and all are entitled to the fruit of their labour—neither more nor less. It takes wealth from some who have earned it and gives to others who have not earned it. Again, it will hardly be denied that individuals are acting within their rights when they endeavour to satisfy their wants with the minimum of labour—*i.e.*, when they endeavour to make their labour as productive as possible. One way of adding to labour's product is to accept as much of Nature's aid as she is willing to yield. Now, the meaning of the fact some parts of the world we live in are more suitable for the production of given articles than are others is that in the effort to produce these articles Nature gives man more assistance in some places than she does in others. By carrying goods from places where Nature's aid is great to other places where it is less, man therefore makes his labour more productive, and just in so far as a Protective tariff offers an obstacle to this are man's rights violated, because his labour is made less productive.

So, once more it is seen how justice promotes well-being, while injustice is destructive of it. From this standpoint we again realise how Protection is simply one form of robbery and confiscation. Perhaps "Tarriff" is a well-chosen name, for is it not derived from the Spanish town whence pirates in days of old were wont to sally forth for the plunder of commerce?

Free Trade properly understood implies liberty both to produce goods and to exchange them. This is Free Trade in its entirety, but it has nowhere been established, for so long as private individuals retain the power to exact from the producer payment (rent) for use of the natural elements, or to forbid their use altogether, so long will true Free Trade remain unattained. In like manner, so long as the State continues to raise revenue by taxing the producer in measure as he produces, so long will Free Trade remain a dream unrealised. We shall not have got Free Trade till the rent of the soil, which private persons now appropriate, is used to defray the expenses of the State, thus enabling us to dispense with taxes both on the home producer and the foreign importer. When that day comes, production and trade will truly be free, because relieved of the twin extortions they now groan under—private rent and public taxes. The law of equal freedom to produce will finally have been established.

We therefore maintain that in the Fiscal controversy, as in all other controversies, there is indeed an element of

right or wrong, to which, when all other Courts have failed, final appeal can with confidence be made. Judged by the law of Equal Freedom, no doubt can remain in which direction justice lies. Widely as men may differ as to which system is most expedient, we can conceive only of agreement when the question is asked—"Which is most just?"

But if justice and the dictates of natural law alike enjoin that men shall be allowed freedom to produce and freedom to exchange, we may with confidence proceed a step further, and safely make the inference that by complying we shall also advance in the path of prosperity and contentment for each and all.

W. R. LESTER.

### SOCIALISM.

By HARRY LL. DAVIES (in the *Annandale Observer*.)

There appear to be three alternative methods of attaining the object which Socialists have in view.

- (1) The method of seizure by government ;
- (2) The method of purchase by government ; and
- (3) The method of competition by government.

The two first may perhaps be dismissed without comment, as they are not seriously advocated by modern Socialists of any reputation.

The third method, viz, that of State or municipal competition with private enterprise is worthy of some further consideration since there is at the present moment a somewhat wide-spread belief in the infallibility of government.

This theory, as you state with somewhat brutal logic, implies a deliberate attempt on the part of government to "starve out" private enterprise by the competition of public enterprise.

The question then arises: Is it conceivable that public enterprise could compete successfully with private enterprise in all the multifarious functions of production and exchange? Is it possible for government industry to starve private industry out of existence?

Undoubtedly many cases of successful municipal enterprise may be cited, such as, for example, the Glasgow Corporation tramways and waterworks, but careful consideration will show that such enterprises as have proved successful under public control have been to all intents and purposes natural monopolies—that is to say, the element of competition has been virtually absent.

It would be impossible to have competing tramway lines in the same street, or to have competing water pipes from Loch Katrine to Glasgow.

Nobody seriously quarrels with the State or municipal control of such industries as are in their nature monopolies, but these cases are limited in number and extent, and even with them it is open to question whether the special taxation of their monopoly profits would not be preferable to municipal management.

But to suggest that the municipal control of monopolies is the same thing as the communal ownership of all land and capital is obviously absurd.

As you point out, a municipality must borrow capital from private individuals before it can engage in enterprise at all.

The Glasgow Corporation Tramways could not exist for a day apart from private enterprise.

They are dependent on private enterprise at every turn. Private enterprise supplies their steel rails, their electric wires, their power plant, their car fittings, the very uniforms of their servants. If this be indeed Socialism, it has befriended the mammon of unrighteousness to some purpose!

Nevertheless it is quite possible that attempts will be made to extend the functions of municipalities into ordinary competitive channels. How far is such a policy likely to succeed?

It must not be supposed that a municipality possesses a bottomless purse, or can go on bungling for ever, any more than private enterprise can.

Ratepayers will prove hard taskmasters to incompetent councillors, and will soon grow restive if their money is frittered away upon quixotic schemes from which they reap no benefit. The recent elections for the London County Council are sufficient indication of this. Once municipalities venture outside the sphere of monopolies and attempt to defeat private enterprise in the open market their troubles will begin. They are heavily handicapped in many ways; their very size and unwieldiness will tell against them; whilst red-tape, incompetence, and corruption will weigh them down.

Is it then possible for private enterprise to be squeezed out of existence?

There is one way, and only one way in which Government can crush or starve out private enterprise, and that is by withholding from labour its right of free access to land.

Give labour an open door to Nature, and then all the power of a Socialistic State could not prevent private enterprise from producing and owning its own capital. This is the only real safeguard against oppression, whether that of a despotic Czar or Socialistic bureaucracy.

Only the arbitrary closing of Nature's storehouse can squeeze out private enterprise and starve labour into submission.

Let us make up our minds that come what may we will hold fast to our common birthright in the land of our country. We could then afford to regard with equanimity either the selfish attempts of would-be monopolists or the well-meant bungling of Socialistic theorists, since neither could harm us.

But what must distress social reformers who are in earnest is to see so much vain beating of the air, so little real thought on the problems which beset us; so much tinkering on the surface, so few attempts to get to the root of social maladies.

## John Calder & Co.

Printers, Lithographers, Commercial,

Law, and Export Stationers, . . .

126 Renfield Street, . . . .

GLASGOW.

### SPECIALITIES.

Church Reports,  
Friendly Societies'  
Reports,  
Balance Sheets,  
Rule Books,  
Programmes,

Tickets,  
Ball Programmes,  
Visiting Cards,  
Menu Cards,  
Posters, Handbills  
&c., &c., &c.

ESTIMATES given for all Classes of Work.

Telephone No. 3273.

Corporation Telephone No. 3273.