

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

importance to this ruling, and some believe it may prove of even deeper importance than the Emancipation Proclamation. Any State or nation which allows some people unequal rights or privileges to hold land, must violate the equal right of others to life, liberty and the pursuit of happiness.

The words, "all men are created equal," written not only in our Declaration of Independence, but enacted as an integral part of our law in 1 U.S. Statutes at Large, at p. 1, and also written in to the U.S. Constitution in 1868, are given a force and effect by this decision never before clearly announced by our highest Courts.

The way is now clear for people of good will, sincerely seeking peace and justice, to work for the repeal of all present laws that have the economic force and effect of allowing special privileges to the holders of land, which those not holding land cannot enjoy.

Only when all laws which allow landholders, as such, an unequal protection have been repealed, and only when there has been a skilful restructuring of our taxing laws, will peace and justice be established, and only then will our political structures provide the protection to both weak and strong, which history warns us we must be willing to abide by, if our political structure is to survive.

"God . . . hath made of one blood all nations of men for to dwell on all the face of the earth, and hath determined the times before appointed, and the bounds of their habitation." (Acts, ch. 17, v. 26.)

J. RUPERT MASON.

OBSTACLES TO UNION

THE cry for "Union" rings loud in our ears, but no one seems to know exactly what it means, beyond the fact that it must be brought about by meetings of politicians and that it involves to some extent the limitation of each community's right to manage its own affairs. Yet little progress seems to have been made, despite the fact that American subsidies are deliberately offered or given for the purpose. Indeed, according to Mr. A. W. Robertson, of the American Westinghouse Electric Corporation, as reported in the *Daily Telegraph*, November 11th, the effect of these subsidies is to exasperate rather than allay international jealousies.

Perhaps some remarks by Mr. Walter Lippmann, as reported in the *Manchester Guardian*, September 2nd, afford some explanation. He thinks that the British Government, "having assumed vast and intricate powers over exports, imports, investments, management, expenditure, consumption, work and currency, shrinks from any proposal which would require it to relinquish or even share any of its sovereign power. Socialism becomes inexorably a national Socialism . . . it cannot let foreign governments interfere with its direction of the national economy."

The logic of Mr. Lippmann's remarks is inescapable, but we do not think the reproach should be directed exclusively to the British Labour Government. The same objections apply to every government that grants tariff protection to any interests within its sphere of influence, and as long as the peoples feel that they must be reduced to poverty or unemployment unless protected by some kind of government-granted privilege the same difficulty will arise. If everyone thinks nothing can be done unless the whole community acts together, the efforts of men of different nationalities to co-operate will be hampered in the same way as if one tries to pass the sand through an hour glass by first cementing it together.

If the peoples of the Western world would reduce their governments' authority to its proper sphere, co-operation for the common defence would be easier, not more difficult. But before this can be done the people must first be shown how they can live and work within their own borders without depending upon the coercive protection of the State. The first condition for the removal of international aggression is to remove aggression at home. And to do this we do not need to wait for the people of other countries to act. We could set them the example without abandoning any of our defences or the right to govern our own affairs.

CHARLES INGERSOLL

On September 21st, 1948, at the age of eighty-two, the colourful career of Charles Henry Ingersoll was ended. He died in Memorial Hospital, Orange, New Jersey, from a skull fracture sustained when he alighted from his car to enquire directions and was hit by a passing motorist.

Born on a farm near Delta, Michigan, in 1865, he went to New York as a boy of fourteen and went into business with his late brother, Robert. At first they manufactured and sold rubber stamps. Then, in 1892, they launched "the watch that made the dollar famous." This cheap, loud-ticking timepiece caught the fancy of the public and a hundred million of them were marketed before the firm, operating as R. G. Ingersoll & Bro., sold out to the Waterbury Clock Company in the late 1920s.

For many years Mr. Ingersoll was director and president of the National Jewellers' Board of Trade. Later he became associated with Industrial Tax Relief, Inc., the United States of Europe Association, the Joseph Fels Fund, the Henry George Foundation of Philadelphia, and the Robert Schalkenbach Foundation.

A chance street-corner conversation in 1880 led Mr. Ingersoll to the study of *Progress and Poverty*, and thereafter he was in the forefront of Georgeist activity. His first vote was cast for Henry George in the mayoralty campaign in 1886. An early member of the Manhattan Single Tax Club, founded in 1888, Mr. Ingersoll took a lively part in the Club's work, and in 1931 became its president. Although the Club was dormant in recent years, Mr. Ingersoll continued to maintain an office at 1165 Broadway, New York, from which location he also published sporadically, a four-page paper called "Democracy." During his lifetime, Mr. Ingersoll spoke over thirty radio stations and delivered hundreds of lectures in the United States and Canada, all on economic subjects.

Well known and admired throughout the ranks of those who labour for the advancement of the Henry George ideas, many will mourn with this writer the passing of an old friend.

V. G. PETERSON.

WILLIAM N. MCNAIR

In our previous issue it was our regret to announce the death of William N. McNair, the ex-Mayor of Pittsburgh. He collapsed very suddenly in St. Louis on September 9th while he was there addressing several meetings. He had spoken at a luncheon of the Henry George School and was to have addressed a dinner audience in the evening, but he succumbed to a heart failure. William McNair was the moving spirit in the adoption of the "graded Tax Law" of Pittsburgh, a law which applies also in the other "second-class city" of Pennsylvania, Scranton. It enacted the lowering of the city taxes on buildings and the corresponding increase of the taxes upon land values, so that the position now is in Pittsburgh that the land-value tax is \$28 per \$1,000 and the tax on buildings is \$14 per \$1,000. The story of this reform was told by Mr. McNair himself, and by Dr. J. C. Rose in the papers they presented at our International Conference in London, 1936. Mr. McNair served as Mayor of the City from 1933 to 1936, was member of the Pennsylvania legislature from 1944 to 1946, and was a candidate for re-election to that body. This ardent, able and persistent advocate of the Henry George policy which he had hoped to see carried to its full expression will be sadly missed by our colleagues in the U.S.A., and sincerely we associate ourselves with the fine tribute paid to his memory in the October number of our New York contemporary, the *Henry George News*.