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ECONOMIC BACKGROUND OF THE CRISIS

DESOLATION OF THE HIGHLANDS

LONDON COUNTY COUNCIL AND LAND VALUES

Statements by Mr Herbert Morrison, M.P., and Mr Chas. Latham

SUDETENLAND A DISTRESSED AREA

THE CRIME THAT RUNS THROUGH HISTORY

By Alex. Y. Scott

THE SAME class of people who have opposed every extension of rights whereby the people have been given increased power in government are those who assert as their fundamental proposition that the people are not fit to govern themselves; that they, the people, must be governed by others, a ruling class of some sort or kind who are endowed in some peculiar and inexplicable manner with the ability not only to know what is best for themselves but for others. This great ruling minority are the self-constituted masters of men—the idolaters of force, the worshippers of material success, the adorers of property, the maligners of human nature, the traducers of the great masses of men. They are those who have in all ages and in all nations lived off the labour of the people while despising those who clothe and feed them.

There are only two kinds of government—government by force and government by consent. Monarchies, Aristocracies, Despotisms, Democracies, whatever the form may be in the last analysis, we have government by force or government by consent. The classes advocate and enforce government by force.

There are those, however, who assert that no man ever was or ever will be born fit to rule another man against his will. That no man ever yet came into the world with a divine commission in his hand to rule any other man and that all such claims are without foundation in fact or morals and usually result in misgovernment. These men assert that the great body of the people are capable of self-government. That from the loins of the people in all ages have sprung the master minds, and that the nations never saw the time when the people were not able to govern themselves, and do it better and more in the interest of the whole people than their self-appointed masters could or would. These fundamentally opposite views are in conflict to-day, as they were in old time. But urge that which

will extend more power to the people, will make the machinery of government in some form more responsive to the will of the people, and any such suggestion is denounced as socialistic, communistic, anarchistic, as subversive of all law and order, an attempt to turn over the government to the “mob,” to the brutal, cruel, unjust masses of men who disregard justice and right, the destroyers of civilization. They assert property rights will be disregarded, personal liberty destroyed, religious liberty annihilated and with memory aflame point to the revolutions of the great body of the people of all countries in which, for a time, “the mob” in power destroyed life and property. . . .

Froude, comparing the crimes of the masses and the classes, says :

“Patricians and plebeians, aristocrats and democrats, have alike stained their hands with blood in the working out of the problem of politics. But impartial history declares also that the crimes of the popular party have in all ages been the lighter in degree, while in themselves they have more to excuse them; and if the violent acts of the revolutionists have been held up more conspicuously for condemnation, it has only been because the fate of noble men and gentlemen has been more impressive to the imagination than the fate of the peasant or the artizan.”

If this statement is true, it would seem indeed that the argument of the aristocrat in favour of the fitness of any class to rule is entirely destroyed by the facts of history.

My thought is this : The prisons, gallows, torture pens, penitential fires, wars and slaughters of man by man are but the symptoms of a deeper crime, rooted in injustice and immorality; a crime so great, injustice so pronounced, that as it has existed in every age and in every nation under the sun, so it has sent all nations and all people in the past to destruction and ruin. To-day

it exists as it has ever existed, and unless this fundamental injustice can be destroyed in national life, the fate of the nations of the modern world will be identical with those of antiquity. . . .

If we will examine this matter a little further we will find, tracing the fact from the beginning, that as the population, power and prestige of the nation have increased, as the productive power of man, through invention and the discoveries of genius, has increased, we are confronted with the remarkable fact that the increased power of production does not inure to the benefit of the producers, but to the benefit of the non-producers, that ever and eternally the rich grow richer, and the poor, poorer. With advancing civilization, a wedge is driven through society, as it were, elevating the classes and crushing the masses. If we will examine more fully the condition, we will find that as a general proposition it may be stated that wealth gravitates into the hands of the few, and we will further find that it is here to-day as it has been of olden times—the few are living in luxury and ease, while the many exist in penury and want, starving and on the verge of starvation. We will find here, as always, that the difference between the classes and the masses is not a difference in man, in their physical, mental, moral and spiritual characteristics, but a difference in property, in the way they make and get a living—the classes always getting a living without making it, and the masses making a bare living for themselves and a luxurious one for the classes. The man who builds the palace lives in a hovel; the man, who with brawn and muscle, belabouring the earth produces grain, wants for bread; the man who rears and shears the sheep and spins the cloth, is in need of clothes. The labourer, the producer, is ever in want; the idler, the non-producer, is ever with plenty. The upper classes, receiving and not producing, taking and giving naught in return, are tribute-receivers and the great mass and body of the people who labour and produce unendingly are tribute-payers. This fact, and fact it is, is a monstrous injustice, a terrible evil, a deep-seated iniquity.

Is this fact primarily due to the laws of nature, to the laws of God, or to the laws of man? Shall we say, to-day, in this age of scientific discovery, of advanced knowledge, of intellectual development, that a just God, in His infinite wisdom, has created as a part of His eternal law, slaves and masters—idlers to live in luxury and ease, while the workers live in penury and want?

So far as I can see, such a condition of affairs flies in the teeth of justice and of right. So far as I can ascertain, no man ever came into the world with a title deed to a foot of land or a government privilege in his hand. So far as I can see, the Creator of man, the Infinite Father, never gave to any man the privilege of levying tribute upon any other man. So far as I am able to see, God created all men equal in the right to participate in the things made by Him. He gave equally to him who calls himself prince and to him who has been made pauper, the right to life, liberty and the pursuit of happiness. He gave to each an equal right to participate in the bounties of nature—bounties so abundant that at no time and in no age has the earth failed to produce sustenance sufficient for all the children of man.

If then this poverty midst plenty, this starvation

midst abundance is not the unjust decree of an unjust God, with whom does the fault lie? If not with God, it must be with men. If not due to the laws of nature it must be due to the laws of man, and the blame falls upon the masters of men, those who have ruled through all times and all ages. The laws of a nation which give to the individual citizen of that nation the land which God gave to all the people, which grant privileges to a part of the people whereby they are permitted to tax all the people, are the laws which ever and eternally widen the gulf between Dives and Lazarus, and these laws produce as a natural consequence, idleness, debauchery, disease and death at the top, poverty, ignorance, pestilence, disease and death at the bottom. From this injustice spring your revolutions, when endurance is no longer possible. From it spring your prisons and your gallows. From it spring your wars of greed and gain, ever and eternally smearing the pages of history with the blood of men.

I affirm with positive conviction, and point to the history of mankind to sustain the assertion, that the moral law applies to the nation as well as to the individual; that it applies to the masses of men dealing with masses of men, as fully, and completely, as it does to the individual in his relations with the individual. I assert as a fundamental moral proposition that theft is theft, that murder is murder, that sin is sin, whether committed by a single individual or by millions of men. I assert as in the life of the individual, so in the life of the nation, that "the wages of sin is death." "Evil is impermanent, transient, suicidal and can not endure. The good alone prevails." To-day we are confronted, as always in the nation, with the fundamental injustice of poverty amidst plenty, and so surely as this fundamental injustice is not eradicated, so surely as the tribute receiver continues to have his tribute, so surely as by law men are robbed of the thing they produce, just so surely will the modern nations of the world follow to decay and death the nations of the past that have deified force and enthroned injustice.

To-day men recognize that they must find and apply the social law. When found, this law necessarily will be a fixed law of nature, based upon principles of justice and of right; it will be a moral law. It will give to each man that which he produces, and will give to no man the product of another's labour.

I once heard a great divine preach a sermon upon the unpardonable sin. He said it was not unbelief, for that was intellectual; it was not murder or robbery or debauchery, because man could and did repent of these things. He said it was confounding good and evil; knowing the evil, and affirming it good; it was confounding God and the devil. To me this has been the sin of the classes; knowing the evil—that they are tribute receivers—they have affirmed it good, and this is the sin of the nations. They have confounded the things that are God's with the things that are man's, and have by law given to the few the thing which God gave to all men—the natural resources of the world.

I believe the social law has been discovered. It is my firm conviction that it will be put into operation, if not in the next generation, certainly within the century. It will be put into operation not alone by the masses, but through the aid and assistance of clear-visioned, high-minded and noble-souled men and

women of the classes, with whom this age is filled. It will be brought about by the education of man by men who will give their fortunes, if need be their lives, for the love of humanity.

The foregoing is an extract from the brochure *The Crimes of the Minority*, by Alex. Y. Scott. In a foreword the late Louis F. Post acclaimed it as a brilliant statement of Henry George's principle of civilization: "Association in equality." Unfortunately, the brochure is out of print, but no doubt our readers will be glad to have this brief extract from it.

BETTERMENT PROPOSALS

AT A MEETING of the Executive of the Rural District Councils Association (reported in the *Municipal Journal*, 15th July) a report of a sub-committee was submitted dealing with questions of land drainage and the responsibility for the cost of such works. The report says:—

The moment it has been definitely decided to construct a sewer adjacent to undeveloped or agricultural land, the value of the latter is enhanced enormously. Numerous instances have arisen where agricultural land worth £60-£80 an acre becomes an immediate demand at 1s. to 2s. 6d. a square yard, and—taking a rate of 1s. 6d. only—this represents a transition from about £70 an acre to £350. It is submitted that some reasonable proportion of this betterment should be recoverable by the local authority. A further report will be submitted.

The report mentions that the principle of betterment was accepted by Parliament in the Town Planning Acts. That is true but the principle does not work because the method is defective. If any attempt is to be made to collect a specific contribution from owners of land in respect of increases of land values caused by public improvements, there must first be a valuation of the value of all the sites in the vicinity. But even if this existed the problem of recovering from owners of land the specific benefit due to a particular undertaking is insoluble. It is impossible to say how much of the increase in value is due to that and how much to other causes. Neither is it possible as a rule to define any area as being the limit of benefit. What can be said, however, is that all the land value, both what exists now and what may be added in the future, is due to public expenditure and other community influences.

Betterment provisions in town planning have been in practice a dead letter. They cannot be operated, because the calculations involved are too hypothetical and complex. The simple and equitable method is to charge the cost of public services on all the land values of the district.

BRISTOL TOWN COUNCIL

FIRST STEPS towards ending the "land value ramp" have been taken in Bristol, according to the *Daily Herald* (13th September). At a meeting on the previous day of the Rating Committee, Alderman Hennessey moved that the Town Clerk should prepare a report of all land purchases by the Corporation in which the price was considered excessive. When the report is ready it will be considered by the Committee and a decision then made upon the next action to take. The promotion of a Bill in Parliament to rate site values is one course open to the Council.

ECONOMIC ASPECTS OF THE SUDETEN PROBLEM

IN THE discussion of the political and racial aspects of the Sudeten problem during the crisis the economic background has been generally overlooked. Considerable light is thrown on this in an article by a Central European Correspondent in the *Glasgow Herald* (19th September). Czechoslovakia comprises the chief industrial district of the former Austro-Hungarian monarchy. "On the break up of the Dual Monarchy the new Republic took over 100 per cent of the china industry, 92 per cent of the glass industry, 97 per cent of the linen industry, 90 per cent of the silk industry, 85 per cent of the woollen industry, 80 per cent of the cotton industry, 92 per cent of the sugar industry, 75 per cent of the chemical industry, and 70 per cent of the leather industry, etc."

As a result of this change the industrialists instead of having an internal market of 52,000,000 people were reduced to one of 13,500,000. Export trade then became of much greater importance, and it soon met with serious difficulties through the policy of economic nationalism pursued by the adjoining countries. In the endeavour to evade tariff barriers many of the Sudeten German manufacturers, especially in the textile and chemical industries, transferred portions of their undertaking to Yugoslavia and Roumania.

Other blows to the German-speaking border districts came from the deflation of 1922, and again with the collapse of the Reich financial system in 1931 when the German banks with which the Sudeten manufacturers had preferred to deal found themselves in serious difficulties.

The trend towards autarchy all over Europe became much more pronounced after 1931, and the efforts of Germany in particular to build up a war economy on a basis of national self-sufficiency severely curtailed exports from Czechoslovakia. Between 1929 and 1936 exports to Germany fell to little more than a quarter. The Sudeten districts became a distressed area, but the blame can hardly be laid on the Czechoslovak Government. Unemployed or underpaid workers became a ready prey to Nazi agitators.

There were also wealthy interests which had grievances. "The big Sudeten German landlords, some of them members of the old Austrian aristocracy, have never forgiven the Czechs for breaking up their great feudal estates in the land reform of 1919 and distributing part of them to poor peasants, many of whom were Czechs."

After the collapse of 1931 the Sudeten industrialists were obliged to borrow money from the Czechoslovakian banks. When the political situation became critical the banks not unnaturally refused further credits and in some cases took over financial control of the enterprises. "The Sudeten German owners may well favour a violent solution which, bringing about the 'liberation from Czech oppression,' would at the same time free them of their debts and the danger of an 'alienation' of their factories."

The transfer of the Sudeten areas to Germany may thus hold out some prospect of advantage to landowners and industrialists, but it is difficult to see how it can help the worker. It may be indeed that some realization of the consequences of loss of the Czechoslovakian market explains the rancour with which that country as a whole is assailed.

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