

LAND & LIBERTY

Published by THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES, LTD.

Forty-First Year. Established June, 1894.

1d. Monthly. By Post 2s. per annum.

United States and Canada, 50 cents.

Editorial Offices

94 PETTY FRANCE, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Sewest, London." Telephone: Victoria 4508.

Postage on this issue is One Half-penny.

JANUARY, 1935.

A FAIR FIELD AND NO FAVOUR

The King's Speech on the opening of Parliament was the occasion of a keen debate on the Liberal Amendment, which proposed to add the following words to the Address in Reply: "But humbly regret that the policy pursued by Your Majesty's Ministers continues to encroach on the personal, political and economic liberties of the subject, and thereby curtails and restricts the opportunities for individual energy and enterprise to procure employment for the people by contributing to that restoration of Imperial and world trade which was the avowed aim of the recent Conference of the Nations."

Supporters of the Amendment vigorously attacked the encroachments being made on individual enterprise and initiative by the National Government; and the Minister of Agriculture's so-called Marketing Boards, with the tariffs, quotas, bounties, restrictions and regimentations involved, received no mercy at their hands. They claimed that the Government's policy had done more to restrict individual liberty and enterprise than all Socialist measures put together.

Labour Members who followed asked some pointed questions: Did Liberals want return to the glorious practices of the Manchester School? Did they want return to the private enterprise that gave us child labour in the mills and sweated workers underground? Did not private enterprise mean freedom for the few and bondage for the many, production for profit instead of for use? What did this trading for profit mean in practice in the constituency of one of the speakers? Simply that the mill owners, under the stimulus of profit-seeking, were installing the most up-to-date plant and turning hundreds of deserving girls on the streets, every higher consideration being sacrificed on the altar of cheapness and cheap prices and cheap labour. "Nine times out of ten when you are approached with a request to lower the cost of production the objective is really to lower wages," said one Labour speaker. The Liberal Amendment meant going back to the *laissez faire* of a century ago, since no alternative was proposed. The fact was we had to make a choice: either we must go back to the old order of private enterprise as we knew it, or we must have a system controlled and ordered by ourselves in the interests of the whole community.

In the whole course of the debate none of the speakers seemed to have any inkling that the kind of activity masquerading under the name of liberty is in no sense the genuine article. They all seemed to interpret this fair-sounding resolution as some lightening of the restrictions imposed on manufacturers and traders as employers of labour. No one brought out the fact that true liberty must be based on liberty for every citizen and therefore involves equality of opportunity for all. To-day industry is working under conditions of monopoly

in which its every movement is distorted so that it becomes identified with evils with which, in reality, it has nothing to do.

The trouble is that the production of wealth is restricted by penal forms of taxation levied by State and municipality alike, and by the fact that all natural opportunities and resources are in possession of a class that levies a toll for mere leave of access or these opportunities are withheld at prices the would-be producer cannot afford to pay, and thus is brought into existence an army of unemployed men who, denied the chance of embarking on any occupation for themselves, offer their services to employers on almost any terms rather than walk the streets.

Private enterprise is but the effort of individuals to produce things that are in demand, and the gain from it is measured by the service each person renders to his fellows. Where competition is free and open the remuneration cannot be excessive nor beyond the value of the service rendered. And what, after all, is trade but the bringing of goods from places where they are plentiful and cheap to places where they are scarce and dear? How is it possible for such activities to harm anyone, or be in any way responsible for the distresses of wage earners, or sanction the view that trade should be regarded as a virtual offence against the body politic which should be punished as a crime? Trade and industry if carried on under free conditions where they are equally open to all can but advance the general well-being. In this there is no conflict between private and public enterprise. Both are held up and often strangled (as many municipalities know to their cost) by the overriding monopoly of the land. Private and public enterprises are complementary, and there is no reason whatever why they should not be carried on side by side, neither excluding the other. Each is necessary in its proper place, which is found for it conveniently or by general consent in the growth and development of the community.

Yet the fact must be faced that in the minds of millions private enterprise under present circumstances is associated with greed, overreaching and oppression. It is associated with big profits for employers and low wages for workers. The workman identifies private enterprise with the employer, for he knows that ninety-nine workers out of a hundred are debarred from any chance of ever embarking on any occupation for themselves. The average workman thinks that freedom in private enterprise means freedom for employers and exploitation for himself, and that it is private enterprise as such which brings about this one-sided arrangement. He does not pause to ask himself why he is prevented from earning a livelihood on an equal footing. But if he traced the matter to its source he would find this one-sidedness accounted for not by any advantage the employer seems to possess, but by the grinding force of the competition of other workers for jobs.

As the cause of unemployment and low wages is fundamentally the denial of equal liberty, obviously the remedy is the extension of liberty to wider fields, and not the further management, control, planning and regimentation of industry by the State.

On the Liberal benches much was said in defence of free trade, but not a word in favour of free production, though production comes before trade and freedom to trade is robbed of most of its value without freedom to produce. Why was there no suggestion of a constructive policy along this line, taking account of all the handicaps which production can only lamely surmount?

No phrase in economic literature has been so much abused as *laissez faire* or so foolishly misinterpreted,

As Henry George points out in his *Science of Political Economy*, it has been emasculated and perverted. It has been made the butt of everyone who has bricks to throw at the conception of liberty and the rights of the individual. So it was in this debate. The phrase originated with the French physiocrats, who had cried out *laissez faire et laissez aller* in a state of society where all industry and production was under the harrow of every sort of penalty and monopolistic privilege. They

cried out simply "Clear the way and let things alone"—"open the barriers and give to all an equal chance." It was to say "a fair field and no favour." The trouble is that the fair field has never been made available for industry, for instead of that we grant to a class in the community the greatest of all favours at the expense of others by permitting them to levy toll for leave of access to the earth without which no industry can exist.

W. R. L.

SOCIAL CREDIT AND SOCIAL VALUES

In a recent address delivered at the Oxford Union, and subsequently reprinted in *Social Credit*, Major C. H. Douglas dealt with the question of taxation. His main theme was that the "unearned increment of association" cannot belong justly to any person or body of persons, but should be enjoyed equally by the whole community. "So far from taxation being a natural and inevitable state of affairs, it is an inversion of facts. The State should give, not take away."

By the "unearned increment of association" Major Douglas means the whole difference between what men working in a community under modern conditions can produce as compared with what a similar body of primitive savages working in isolation could produce. The difference, to use his own phrase, would be "colossal." In fact, the obvious conclusion to be drawn from the proposition that the whole of this difference belongs to the community is that we should have a system of communism or of absolute equality of income, irrespective of varying individual effort or capacity.

Let us look more closely at the idea of "unearned increment of association." A thousand men working in co-operation in the Hebrides, let us say, can produce a certain amount of wealth. A thousand men working together in co-operation in Manchester or London could produce a much larger amount of wealth. Why the difference? and who gets the advantage of it? Surely the answer is that the one group has a much more advantageous situation than the other, and that the owners of land reap the benefit in higher rents.

Major Douglas, however, eludes this simple point by assuming that land is of no importance in modern society. He says: "Because land in its natural state provided for the requirements of humanity until a few hundred years ago, by supplying grain for bread, fodder for herds and flocks, and stone for dwellings, land occupied the centre of the stage in regard to poverty . . . But with the advent of the industrial age it is not too much to say that the products of land form a very small proportion of the requirements of the modern individual if they are considered as finished products without industrial processes being added to them."

This assertion would be laughable if it were not so regrettable. Even in this age food, clothing and shelter are the prime necessities of life, and a very large proportion of the world's population is suffering severe privation for lack of them. It can hardly be supposed that Major Douglas believes that grain, herds and flocks and stone are produced from anything else than land, even to-day. The attempt to decry the importance of the land question appears to lie in the phrase "products without industrial processes being added to them." Where is it that these industrial processes are carried on that turn the raw materials of nature into the marvellous products which modern science has made possible? In the great industrial centres, where the value of land is measured in tens and hundreds of thousands of pounds an acre. At every stage in the productive process land reveals itself as a factor of overwhelming importance, as

the source from which all material things are derived and as the stance upon which they are worked up and distributed.

After this introduction it is hardly surprising to find Major Douglas saying: "It is a broadly accurate statement to-day that it is quite impossible to own any considerable quantity of land over a period of even two generations without having some source from which money is derived which does not arise out of the mere ownership of land itself." This statement is so fantastic that one wonders whether Major Douglas has ever heard of the Dukes of Westminster or the Astors or many other examples which are known to the whole world.

However, as this is Major Douglas's view, it is hardly surprising to find him saying: "We are witnessing in the world to-day a battle about the ownership of property, but it is no longer tangible property, because it is not tangible property which nowadays confers the greatest benefits; it is intangible property, represented by money, and money is actually made by one body of persons alone—financiers." Incidentally, Major Douglas does not explain how the financiers make this money, and why they do not make more of it. Aside from this, however, if we put the financiers into one group and gave them all the money in the world, and put into the hands of another group all the land in the world (not to mention the capital), let us ask how long it would be before the landowners owned all the money, obtaining it in exchange for giving the financiers a mere permission to live in the world at all.

The social struggle is indeed a struggle over the ownership of property, not over intangible property but over that very tangible property the land, which is the source of all wealth and the basic and continuing necessity of life itself.

Major Douglas comes very near the truth when he talks of the "unearned increment of association" which would provide a natural revenue for the State, dispensing with all existing taxes, but he does not see that the only unearned increment (apart from specially created monopolies) is the rent of land. The surplus production of labour over normal earnings is land rent. If it were taken for community purposes it would provide a real social dividend that would not be filched away again in the higher prices which are the nemesis of mere currency inflation.

F. C. R. D.

PUBLIC SPEAKING

By Charles Bevan, B.Sc.

With Foreword by the Hon. Cyril Asquith.

An admirable hand-book of help to beginners and of value also to experienced speakers.

Price 1s.

LIBERAL PUBLICATION DEPARTMENT
21, ABINGDON STREET, LONDON, S.W.1