

"THE RETURN TO LAISSER FAIRE"

By W. R. LESTER, M.A.

In *Land & Liberty* of September, 1926, the writer reviewed Mr J. M. Keynes' book, *The End of Laisser Faire*.^{*} There now appears Sir Ernest Benn's lively contribution to the same subject with *The Return to Laisser Faire*† as the theme.

It is all very puzzling, and we can only suggest to both these authors that it is beyond the power of man either to "end" or "return to" what has never been tried. For "Laisser Faire," if it implies anything at all, implies a fair field and no favour; the absence of special privileges which enable some to live at the expense of others; free competition based on equality of opportunity and reward according to usefulness. Where have these conditions ever been complied with?

The trouble is that both Mr Keynes and Sir E. Benn have a narrowly restricted conception of what "Laisser Faire" really means, and their mistake is responsible for the opposite and equally erroneous conclusions they arrive at. Needless to say, Sir E. Benn's book is written in his usual concise, racy and entertaining style, holding the reader's attention from first page to last, and we have seldom been privileged to read a more devastating exposure of the delusion so engrained in all political parties that by letting loose hordes of meddlesome, though no doubt well-meaning, State officials to work their will in controlling, regulating and obstructing legitimate private enterprise, it is possible to do anything but harm. Did Sir E. Benn limit himself to that case, we would find ourselves in complete agreement with him, but it is when he goes further and would have us believe that all would be well were this official meddling to cease, that we find it needful to enter a protest.

Nothing happens in this world without cause. Cause and consequence rule the universe, and if to-day industry staggers under the monstrous activities of officialdom, we may be sure there is some underlying cause which gains for it public sanction and which Sir E. Benn has overlooked. Conditions must have arisen which in the eyes of honest John Citizen seem to make this activity by the State desirable or even necessary. It is the weakness of his book that from beginning to end the author makes no attempt to lay bare this underlying cause. On the contrary, Sir E. Benn assumes throughout that the obstructive meddlesomeness he complains against has no deeper source than sheer perversity or, at best, ignorance on the part of politicians. But there is more in it than that. There is the underlying something which predisposes the average man in favour of paternalism, and this something is the conviction that without it we would be faced with things too dreadful to contemplate.

No matter how ably Sir Ernest Benn and men of his school may demonstrate that wet-nursing does more harm than good, the general sentiment in its favour will continue, and even grow, unless we deal with the circumstances that are made the excuse for it. This is the crux of the matter. We could wish for nothing better than that Sir E. Benn should use his able pen to establish economic conditions which would place society on such a basis as to render this grandmotherly business unnecessary, and, at the same time, dry up at its source the demand for it. Let him work for "Laisser Faire" or Individualism in all its fullness, and not only denounce interferences with private enterprise which come into being as attempts to palliate a prior injustice which could not exist in the true Individualist State.

But it would seem that this vision of true Individualism and "Laisser Faire" has not yet dawned on him. He denounced interferences only when they take such minor forms as housing subsidies and regulations, sugar subsidies, coal subsidies, unemployment insurance and Factory Acts in general. There he calls a halt. What is it that blinds him to the deeper-lying legalized interference with human rights, which not only is the negation of Individualism but also imposes on the community those secondary restrictions on liberty and enterprise he so severely condemns?

We wish this book had started off with a definition of terms. "Make to thyself a definition of the thing which is presented to thee so as to see what kind of a thing it is," said Marcus Aurelius. It would have added to clarity had Sir E. Benn taken this advice and presented us with definitions of "Laisser Faire," "Individualism" and "Competition." Surely a true Individualist Society would be a society in which men enjoyed equality of opportunity, and one in which each and every citizen could claim right to the full fruit of his toil. Surely it means a society in which every citizen could confidently feel that "what I make is my own"; and surely such a society would not tolerate any law, custom or institution which makes free competition impossible by enabling some to live at the expense of others.

And surely "Laisser Faire" means that having established this true Individualism, the State would confine its activities to upholding and securing individual rights; that is, would confine itself to maintaining a fair field and no favour. Having got thus far, the true Individualist State would reduce to the minimum its secondary activities in accordance with the maxim: "That Government is best which governs least." But in such a community it is evident that no individual citizen could be permitted to exact tribute from his fellows for permission to use the earth. Payment for that permission would be made into the public treasury, and consequently taxation of industry as we now know it would be non-existent. For there could be no more flagrant violation of the principle of equal opportunity on which the true Individualist State is based than that some men should be granted the tremendous "pull" over others of exacting payment from them for use of nature's bounties.

It is because the State permits a few to enjoy this privilege that the masses are reduced to helplessness. The evil results compel the State to step in with its palliatives so as to mitigate the sufferings flowing from its own violation of true Individualism and free competition. In the name of Individualism and "Laisser Faire," Sir E. Benn most superficially confines his strictures to this palliative legislation. He seems blind to its origin. For anything he says to the contrary, he envisages the Individualist competitive society as one in which natural opportunities for self-employment are monopolized so that the common man is reduced to the dire need of hunting for a job on a labour market artificially overcrowded by landless men. The case being thus distorted, "Laisser Faire" is made only to mean abstention from measures intended to deal with the results of this violation of free competition. Only at one point does the author seem to see behind the screen when he refers—apparently with uneasy conscience—to the State-given power of the Duke of Northumberland to levy royalties on coal. But the glimpse is only a passing one, for he goes on at once to say that the merits of such a case depend on how his lordship chooses to use the wealth he wrings from industry!

In perusing this book we are struck by the wealth of true things said, and also struck by the author's

* The Hogarth Press, London. 2s.

† Ernest Benn, Ltd., London. 6s.

failure to follow them to their logical conclusion. "Good Governments function best in a state of liberty."
 "Individualism would limit the functions of Government to extracting what is bad." "Government can create conditions under which the individual is able to function to the fullest advantage." "Instead of organizing people, I only want to encourage each and every one of them to develop his native talents."
 "All these things and much besides would quickly appear on a free market in which we are all at liberty to exercise our capabilities to the full." "My case is against taxation rather than against any particular tax or surtax." "The remedy for unemployment is not to devise new sorts of relief but to study the causes and remove them." "So long as we make production of things more and more difficult it is not only useless but stupid to complain of poverty."

These are the maxims of a true Individualist, but can any single one of them be put into practice in a society such as ours, based as it is on the private ownership and the well protected monopoly of natural resources? If the author would address himself to that question, he would discover that something different from mere negation and protest against "the middle-some State" is wanted to provide the conditions he desires "under which the individual would be able to function to the fullest advantage."

In conclusion, it is to be noted that Sir Ernest Benn virtually abandons his case in declaring that "the theoretical argument for public ownership of land is unanswerable." To admit as much is to enthrone the State after all as public owner and controller of all enterprise, and the admission is none the less valid because objection is made that the cost would be too great. The whole subject is dismissed in a sentence, revealing as in a flash what a spurious truncated thing Sir Ernest Benn's Individualism is. It fails to make any distinction between private property in land and private property in things men produce. The people must buy access to the natural resources, whether as taxpayers or as ordinary citizens; and if the cost is too great, let land monopoly flourish. This is Sir Ernest Benn's proclamation. No one will fail to notice how carefully the book most studiously avoids both the theoretical argument and the practical policy of Land Value Taxation, which would emancipate industry by making the rent of land (not the land itself) common property, and establish true Individualism on a sure and lasting basis without any cost at all.

The Newcastle-under-Lyme Board of Guardians met on 17th December when letters were read in reply to a resolution passed at the previous meeting condemning the Local Government Bill. Col. J. C. Wedgwood wrote: "We are being centralized into servitude."

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CHEATING THE FARMERS

(In the House of Commons on 29th November Mr. Philip Snowden denounced the Local Government Bill as "nothing but a fraud and an imposture." The following statements at question time in the House on 10th December amply justify that view.—ED. L. & L.)

Mr HARDIE (Labour) asked the Secretary of State for Scotland whether he is aware that the occupant of Holmhead Farm, Lesmahagow, who runs a one-ton motor lorry, finds that the increase of petrol tax by 4d. is greater by the sum of £8 than the relief under the de-rating scheme, and whether he intends to give consideration to such cases?

THE UNDER-SECRETARY OF STATE FOR SCOTLAND (Major Elliot): As regards the first part of the question, my right hon. Friend has no information. As regards the second part, the answer is in the negative.

Mr HARDIE: Is it not the business of the Scottish Office to find out whether this is so or not, and is not rather a reflection at the beginning, before the Measure is really completed, that people are going to be incapable of checking what is to be their ratio? Are they going to be left in the position of being unable to understand what they are going to get by de-rating? Cannot they make this calculation?

Major ELLIOT: The hon. Member asked me whether this gentleman had written to the Scottish Office or not. The answer is that he has not.

Mr HARDIE: I have not asked that; the question is quite plain. The occupant of this farm requires a one-ton lorry which he uses on 365 days in the year to take milk into the city, and his average consumption of petrol is four gallons per day.

HON. MEMBERS: Speech!

Mr HARDIE: You do not want your Bill to be shown up. The tax on that, at 4d. per gallon—(Inter-ruption.)

Mr SPEAKER: This is not the time for a speech.

Mr HARDIE: I want to ask if the Scottish Office is ignorant of the fact that the tax of 4d. a gallon on petrol for a one-ton lorry used on 365 days of the year comes to £8 more than he will get from the de-rating on his farm?

Major ELLIOT: The hon. Member appears to have a great deal of information on the subject, which he is taking this opportunity of imparting.

"OUR" PROSPERITY

"Times are hard," said the Picked Chicken.

"Why," said the Rat, "this is an era of prosperity: see how I have feathered my nest."

"But," said the Picked Chicken, "you have gotten my feathers."

"You must not think," said the Rat, "that because I get more profits you get poorer."

"But," said the Chicken, "you produce no feathers and I keep none—"

"If you would use your teeth—" interrupted the Rat.

"If—" said the Picked Chicken.

"You could lay—"

"I—" said the Picked Chicken.

"—up as much as I do," concluded the Rat.

"Excuse me for living," said the Picked Chicken, "but—"

"If I didn't employ you," said the Rat, "there would be no demand for the feathers which you produce."

"I shall vote for a change," said the Picked Chicken.

BOLTON HALL.