

Correspondence

FREE TRADE DISCUSSION

EDITORS LAND AND FREEDOM:

A letter from Rev. D. C. McTavish, Telfordville, Alberta, Canada, says: "It was 'protection' that cost England the loss of her American colonies. The same cause was behind the world war of a quarter century ago, and is behind the present unspeakable debacle." Secretary Hull recognizes this, and should be encouraged.

San Francisco, Calif.

J. RUPERT MASON.

EDITORS LAND AND FREEDOM:

I wish to take issue with Peter D. Haley's statements in his Con, in the free trade discussion appearing in your last number. The declaration that "tariffs have nothing to do with our relation to the land" is untrue. As Henry George himself says, "the tariff question is but another phase of the land question".

It is not true that conditions for the working masses were better in protectionist Germany than in Free Trade England previous to the war of '14. During the Free Trade era in England wages were constantly higher than in any other European country. In Germany, socialized control made it possible for a man to starve to death in a sanitary way. That was all.

The expansion of industry subsequent to the passage of the repeal of the Corn Laws and the relief by higher wages and increased opportunity was one of the most striking things in English, if not world, history. I doubt whether there has ever been a similar expansion. Mr. Haley's doctrine that "trade is the food which feeds the maw of rent collectors," is not appreciated by the British landlords, who as a class are about as acutely conscious of their privileges and how to protect them as any that ever existed. They seem always to play a brand of ball that is a little too fast for us. And so it is a fact that utterly unconscious of this Maw dictum they opposed Cobden and Bright in the repeal of the Corn Laws and the present landlord parliament as practically its first act put England on a Protectionist basis.

"The Tariff," says the Con author again, "has nothing to do with man's relationship to the land." I refer him to the files of *Land and Liberty* of London as to the increase in land values barring men from the land that has occurred since England's partial free trade has been abandoned. I refer him also to the rise in prices of every article of consumption, particularly food, since that savage backward step was taken. Tariffs of course cut men off from the rest of the earth outside as well as within their own boundaries.

It should be apparent that the effect of a protective tariff is to restrict production of those goods that are "protected," thus increasing the demand for these lands and increasing rents and land values. A spurious form of land values based on a kind of bastard speculative rent can be obtained through obstructive monopoly-creating laws, and the protective tariff is one of these. That is the reason the landlord Parliament—quite conscious that international trade is *not* the food that feeds the maw of the rent collector—rescinded partial free trade. They of course as usual "knew their onions" as they always have, and very intimately. They of course were acutely conscious that when the production of basic food stuffs, etc., was confined to the soil of England their land values would be raised. They made one error though in their hard-boiled thinking. It was no accident nor was it due to purely sentimental motivation that England had most of the World on her side in the Great War. The hard economic fact that Britain's trade relations with the world were free, and that the tendrils of free trade had penetrated all nations, had a large part in the united support the world gave her.

This war is obviously different. Allies do not flock to the standard of Britain. The world looks at her battle for "Freedom" with a cautious eye. The alienation of her potential allies by a protective tariff has been a large factor in the shifting of good will to suspicion.

As a matter of fact, free trade is as much a part of the Georgian philosophy as the removal of any other taxes on labor made products. I am inclined to believe that it is probably the most important phase of our movement, as it opens the whole Earth to mankind. It is the only way that we in the United States could attack—through joint free trade—spurious land values, with their distortion of the economic structure, in other countries than our own. It is only through free trade that we can draw freely upon the resources of the world beyond our own boundaries.

As an instance of what I am driving at, I relate the following: The sixteen landlords who, through the ownership of about fifty million acres of timber land, dominate the economic structure of the Pacific Coast, succeeded in passing a law taxing the importation of Canadian logs. Some of these outfits had mills of their own and wished a monopoly for them. Of course, after it was impossible to obtain logs from Canada, the price to the independent non-landowning saw-mill operator went up, and so did the price of timber lands. The independents, except in a few instances disappeared. In the face of this, can anyone say that the tariff is no part of the land question?

The most important aspect of free trade is its capacity as a Peacemaker. Henry George and all other economists of note agree that free trade is a necessary foundation for peace. The sum total of what we are forced to pay through all kinds of taxation for war is far greater than the whole of economic rent in these United States. If free trade would solve the problem of war or contribute to that solution it would remove from the back of labor a burden even greater than the sum total of economic rent. Thus it is apparent that free trade is just as important to our philosophy as the land question itself. Free trade is one phase of the land question.

Washington, D. C.

DONALD MACDONALD.

EDITORS LAND AND FREEDOM:

Secretary Hull's program of reciprocal trade treaties is by far the best thing the present national Administration has brought forth, although it is such a puny and inadequate proposal that it does not arouse great enthusiasm in me. Its chief value lies in the opportunity it affords for real free traders to get a nation-wide audience before which they can present the merits of full commercial freedom, and for this I am devoutly thankful.

The Con of Free Trade, by Peter D. Haley, seems to me a case of the trees obscuring the forest. Does Mr. Haley regard production as one thing and trade as another thing, instead of being merely "mentally separable parts of the same thing", the industry by which mankind gets its living from the earth? Restraint of one inevitably means restraint of the other. The freedom of *both*, from the artificial restraints which have been imposed upon them, is necessary in order to achieve complete economic freedom, and Mr. Haley errs in thinking that the freeing of trade in itself is valueless. Protection is an important rampart protecting land monopolization, and it must be removed before economic freedom can be attained.

In his day Henry George properly stressed the rise in the rental value of land, which was absorbing the benefits of material progress. Taxation in this country was then comparatively small—only in its infancy—and capitalization of the unearned increment grew rapidly. In 1879, when "Progress and Poverty" was first published, the entire revenue of the Federal government was a scant \$318,000,000, and state and local taxation was also relatively small. Today the naval bill before Congress calls for more than three times that sum, while the mere interest on the national debt of about forty-five billion dollars calls for more than a billion dollars, even though present interest rates are unprecedentedly low.

Mr. Haley must know that it has been estimated by competent investigators that taxes are absorbing 25 per cent or more of the nation's earnings, that taxes on the products and processes of industry and trade constitute 25 to 30 per cent of the cost and price of the things comprising our standard of living. He should know that tariff taxes rank high among the taxes which enhance the cost and price of goods. Surely he knows that the whole vicious system of misplaced and larcenous taxes must be swept away, and the burden of the public revenue placed where it rightfully belongs—on the socially created rental value of the land. Certainly, he ought to know that, however desirable it may be to get rid of the whole thievish tax system all at once, we cannot do it that way. We must attack it wherever we can, and if the opportunity presents itself to attack the tariff, we should not let it go by.

Delawanna, N. J.

STEPHEN BELL.

NIGHTINGALE VS. BECKWITH

EDITORS LAND AND FREEDOM:

Mr. L. D. Beckwith of Stockton, California, is never done with attacking "Single Taxers" of the "Old School", and challenging their theories and methods. These charges have, in large measure, been ignored, but the time has now arrived when we "Old Timers" should defend ourselves against, (1) the calling of offensive names, e.g., "Marxians", (2) the assertion that we have not advanced since 1897, and (3) against fallacies propounded by Mr. Beckwith.

As for point No. 1, I have been for 50 years, and more, an active worker in the Cause having for its object the State Collection of Rent, the Repeal of all Taxation, and the restoration of Free Trade conditions. Because I also hold that under the operation of this policy, interest (on investments) will die a natural death, I am branded by Mr. Beckwith as a Marxian! The claim is that Marx opposed interest, therefore (whatever my grounds for opposing it) I am necessarily a Marxian. Now Beckwith and Marx agree on some points (I will prove this if called upon to do so), therefore Beckwith himself is a Marxian! This is very poor logic.

As for No. 2, the fact is that all the "Old Timers", and the new timers for that matter, repudiate some of George's theories, amongst others his theory of interest, and this shows that Mr. Beckwith is again in error. What Georgians today support Henry George in drawing a distinction between interest on "dead" capital and interest on "live" capital? George said that if interest had to do only with such things as planks and planes, "interest would be but the robbery of industry" (Progress and Poverty, page 129). As regards that theory I venture to say that all of the "Old Timers" have advanced since 1897.

Now for No. 3. Beckwith holds that land has not, and cannot have, any value. This I can refute with Euclidian precision, in 56 words as follows:

Brown goes to an island and makes a good living by using a portion of the land. Jones follows and finds he can only make a poor living by using the other land available to him. The difference between these two standards of living is RENT. Yet there are no social services rendered at the locations.

The simple and inescapable truth is that there are two factors in RENT, (a) services rendered at the location, (b) the natural quality, contour, climatic and other conditions, which give value to the land itself. These advantages may be obtained by the user of the land regardless of whether there are roads, railways, markets, fire services, police protection, water supply, sewerage, or any of the social services that community life calls forth. Let Mr. Beckwith deal with the Brown-Jones illustration above—if he can!

Another question relates to the step-by-step method of State Collection of Rent. Mr. Beckwith states dogmatically that this plan is impossible, or at best impracticable. Again he is in error. We know, of course, that if a fixed percentage is written off the depreciating balance of an asset the asset value never entirely disappears. But merchants and business men (and I might add accountants, and I am one) know quite well that there is no difficulty in writing off the full value of any asset by the instalment system. All that is necessary is to calculate your percentage on the original, or full value, and this could be done in the case of land just as well as it can be done, and is done, in the case of plants or buildings. Again Mr. Beckwith is in error.

Auckland, New Zealand.

C. H. NIGHTINGALE.

EDITORS LAND AND FREEDOM:

Rogelio Casas Cadilla's article, "The Economy of Spain" calls to mind a news item in the *New York Times* of March 7: "Spain Orders Return of Land to Grantees". The peasants now on the land are to be allowed "to remain voluntarily as tenant farmers by paying a government approved compensation to the landowners". Although the distribution of land among the peasants by the Spanish Republic may have merely resulted in a multiplication of landlords, yet this step is still worse.

Malvern, Pa.

ELLEN WINSOR.

EDITORS LAND AND FREEDOM:

The article by George C. Winne, in the January-February issue, "Single Tax—A Misnomer", is very good, and I thoroughly agree with him. George's philosophy is a way of living, not a tax. His remedy to collect the economic rent produced by the combined work of society, to pay for our social services, is so simple once it is understood, that hesitation to accept it seems ridiculous.

Irvington, N. J.

ROBERT BLACKLOCK.

EDITORS LAND AND FREEDOM:

I would like to submit the following:

Land and its use is the foundation of our civilization.

Land and its use is the paramount economic problem of all time.

Land, sunshine and moisture constitute the source and sustenance of all life.

Land is the only natural element that is commercialized.

Land was created by, and belongs to, the Creator and to no one else.

Land and its possession is the principle cause of war and crime.

Land is the source of all wealth.

But land values are caused by, and increase with, the growth of the community, and should be drawn upon for the support of the community, to the exclusion of other taxes.

We cannot have a free country or free men as long as we permit private property in land.

Roslindale, Mass.

WALTER A. VERNEY.

EDITORS LAND AND FREEDOM:

The utter indifference of American Single Taxers to electoral reform cuts a deep rift between them and British Colonial Single Taxers. But the most indifferent must be moved by the reduction of one-half in the New York City crime rate since it has had for the very first time a decently honest electoral system in the Council. Above all, the great reaction in favor of Tammany last autumn (not regrettable) has left two-fifths of all the defeated leaders to form a strong and vigilant opposition. This is a blessing and shows the ethical value of Direct Legislation.

Bishops Stortford, England.

(Rev.) MERVYN J. STEWART.