

## Protection and Free Trade

EDITOR GLEANER, Sir: Not long ago Mr. Patrick Leach had an article in the Gleaner about Protection and Free Trade. Mr. Leach said that he did not intend to "stick his neck out" although he seems to learn slightly toward the Free Trade position. But as for me, I am strongly in favour of Free Trade and against Protection and do not mind who knows it. So, with your kind permission, a few words may be in order.

And so, to begin at the beginning, we ask ourselves "what is this trade" against which protection is sought? Is it some monstrous evil, like cholera or hoof and mouth disease or rock n' roll? If so, every reasonable man would favour protection against such horrors.

But, strangely enough, trade is, speaking generally and specifically, not a bad thing but a good thing. (When considering tariffs, we are concerned with trade between nations), and every civilized nation has a Department of Trade and Commerce and spends large sums of money to promote such trade. Man has been defined as "the trading animal" and the definition is a good one in that it sets man apart from every other creature. To trade is good and to prevent trade is harmful, hence we blockade our enemy's coast in wartime, if we can, in order to do him harm by cutting off his trade. (And then, curiously, we bring our ships home and blockade our own coast to do ourselves harm at the request of some pressure group).

So, since trade is not bad but good, we ask why it should be restricted or interfered with in any way and the answer to that one is easy. It is because certain influential parties know that if they can prevent the people of a country from dealing with their competitors that they will make more money and make it the easy way. It is, in truth, a tremendous swindle, whereby a few are able to exploit the many.

For the effect of a protective tariff is to increase the price that the producers of protected commodities can demand for their products—that is the only way that it can protect. The Protectionists know this, that is why they advocate protective tariffs and the dishonesty of the

policy is clearly shown by their pretending that it is not so and their insistence that they are motivated by the most altruistic motives when they advocate such protection.

In Jamaica now, they talk of "infant industries" that must be protected and encouraged so as to promote production, give full employment and raise wages and if they use the whole arsenal of protectionist argument they will no doubt say that they wish to make Jamaica self sufficient in case of war and that if they seem to want more money than they are entitled to it is only so that, in case of war, they will be in a position to buy war bonds (bearing sufficient rates of interest to make such purchases profitable).

So they talk of infant industries now and when the infants have grown up they will seek to protect "home industries" against the hated foreign, even as the highly protected textile industries have done in the United States.

And, speaking of the United States, there is the best example we have of the benefits of Free Trade. Although many industries in the United

States are protected from foreign competition, yet the United States Constitution forbids tariffs between the states and so, over a vast area, comprising many states larger and more populous than many independent nations, there is complete freedom of trade and movement. And although I know little of Russia and less of China, I imagine, (and it is reasonable to imagine) that whatever obstacles there are in those countries to the free exchange of goods and services, at least the peoples of those countries do not have their cost of living raised for the benefit of private vested interests. Perhaps, in large part, that fact accounts for the tremendous progress that they have been making, as Free Trade between the several states accounts for the remarkable material progress of the United States.

The small country can achieve a great many of the benefits of Free Trade by knocking down its tariff barriers and forming its own free trade block with whichever of the many nations wishes to reciprocate. Such action would encourage

"free-enterprise," which, if it means anything, means freedom to buy and sell with whosoever we wish.

Trade should benefit both buyer and seller. Did you ever know of buyers asking for protective tariffs, I think—not—it is the seller who wants to use the power of government to make the buyer deal with him and no other. He wants, in short, a monopoly of the business. It is understandable that he should and in an age of easy business morality it is to be expected that the seller will stop at nothing to gain his ends. "Caveat Emptor" is an old and well established rule of business. "Let the buyer beware." O.K. Let us beware being made suckers by people who want to charge us more for their goods than they are worth in a free competitive market.

Many years ago Daniel Webster, then Secretary of State in the United States, wrote a letter to the King of Abyssinia in which he said: Free Trade should every where be encouraged, for by this means the various products of the earth are best distributed." What was true then is true now.

But this subject-Free Trade or Protection—cannot be properly presented in a letter to the Editor. If anyone wants to enquire further into the merits of the policies, Henry George's "Free Trade or Protection" is the best book ever written on the subject.

I am, etc.

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2081

Daily Gleaner  
Kingston, Jamaica

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14/11/64

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THE DAILY

## Land value taxation

THE EDITOR, Sir:— While agreeing with the desirable objectives of Government's new Land-Reform programme, I believe that Land-Value Taxation is a more effective method of forcing idle lands into use.

Instead of setting up a Land-utilization commission and a Lands Tribunal with the inevitable extension of bureaucracy and unnecessary interference with the rights and freedoms of the citizens which they entail—why not assess and tax the land at its current market value, (while exempting improvements), and let self-interest force the owner to put it to its maximum and best use?

Since no one would keep paying for idle lands when he can develop it and not only pay the taxes—but earn an income from the excess—he'll be forced to either use it himself, or rent, lease or sell it to those who will. This would obviate the necessity of higher taxes to pay those who are policing idle lands and remove the irritation and annoyance inseparable from Government's control, direction and dictation of the citizen's affair.

However, it is when we come to its implementation that the most formidable difficulties arise. What yardstick will be used to determine under-utilized lands? Suppose the owner believes 100 cows per acre constitutes full use, while the land official thinks it should be 150, what objective standard will be used to decide who's right? Why should he have to get "approval" from the land commission for the rural areas. Since the rental value of land is a community-created value, all lands should be assessed at its current market-

will? Are these nucleated small-scale communes where the physical, social and cultural welfare of the people are provided for by a paternalistic Government? If not, why not leave them to take care of themselves?

Another thing, is it desirable that holdings under 50 acres should be held idle? If not, why are they exempted from compulsory acquisition or development? Since the idle lands law won't apply to properties of less than 100 acres, how will they be compelled to develop their holdings. Won't land speculators be able to hold land idle by buying it up in 49-acre plots, while waiting for the increased value which the presence and activities of the community brings? What is Government's intention? to secure the fullest use of all land or is it a political gimmick to gain popular-

Why burden the taxpayers with the added cost of buying land and paying staff to compel its development, when a properly designed programme of Land-Value Taxation will achieve the same result with less cost, effort and irritation? How can people be expected to make improvements when it means increased taxes? Isn't this discouraging improvements?

The case for Land-Value Taxation rests on the undeniable fact that all men have equal right to land, but differences in fertility, geological content, use and desirability of location make it impractical to divide land equally, since a ¼ acre in a city is worth ten times more than 100 acres in some parts of the rural areas. Since the rental value of land is a community-created value, all lands should be assessed at its current market-

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value, and its rental-value collected by the State to defray its expenses. Every expenditure by Government on roads, lights, water, schools, sewerage systems, and police and fire protection, increase the value of land. Since no man made the land or produced its values, he shouldn't be allowed to pocket the publicly-created land values by charging others for the mere privilege of using land, thereby denying them equal right to its use. Land-value Taxation is the only way it can be secured under modern conditions.

As Sir Winston Churchill, with profound insight, observed: "Roads are made, streets are made, railway services are improved, electric light turns night into day, electric trams glide swiftly to and fro; water is brought from reservoirs a hundred miles off in the mountains;—and all the while the landowner sits still. Everyone of these improvements is effected by the labour and cost of other people. Many of the most important are effected at the cost of the municipality and of the ratepayers. To not one of those improvements does the land monopolist, as a land monopolist, contribute; and yet by every one of them the value of his land is enhanced. He renders no service to the community. He contributes nothing to the general welfare. He contributes nothing even to the process from which his own enrichment is derived, yet he is able to skim the cream off for him-

self by levying a toll upon all other forms of wealth, and every form of industry."

For God's sake, let's tax the land into use, abolish all taxes on the production and exchange of wealth and income, and watch prosperity spread.

I am, etc.,

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October 3, 1964.

2081