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Imperialists and Protectionists

ELSEWHERE we give some extracts from the debate on Empire and Commonwealth Unity on a motion by Mr. Shinwell, Earl Winterton and others. It was a curious combination of forces and remarkable for the surrender of those who profess principles of internationalism and equality to the Tory policy of Imperial preference and protectionism. Mr. Arthur Greenwood, chairman of the Administrative Committee of the Parliamentary Labour Party, said that he did not believe that the terms protection, tariff reform and preference had any meaning in the middle of the twentieth century—apparently more “meaningless symbols.” Mr. Hugh Dalton, President of the Board of Trade, said that the Labour Party had not taken an unreasonable or pedantically uniform view in opposition to Imperial preference. Evidently he also thought that there was no principle involved in this issue. On the Tory benches Lieut.-Col. Elliot talked of the undignified scramble of free trade, and Sir Edward Grigg referred to the words of the Atlantic Charter as having no practical effect. Earl Winterton paid compliments to Mr. Shinwell and Mr. Greenwood and said that there was no difference of opinion between Tories and Socialists, “at any rate, the reasonable ones.”

Leading members of the Labour Party evidently cherish the delusion that by swimming with the current of events, more State intervention in trade, they are paving the way towards the form of State intervention which they favour. Some day they may awaken to the fact that by not fighting the battle of freedom now, they will have lost such elements of freedom as we still possess, and will find that the country has been handed over to the tender mercies of the monopolists who have consolidated their position behind a barrier of tariffs, quotas, marketing schemes and similar devices for restricting markets, raising prices, increasing profits and exploiting the bulk of the population.

Singular Pledges

The exigencies of war may indeed have made it necessary for all parties to collaborate in the conduct of affairs for the time being, but that is no excuse for wholesale surrender of future and post-war policy to selfish, sectional and destructive interests. If after, or even before, the next general election there is a purely Conservative government which seeks to extend the policy of protection, what answer can the Labour Party make to it? Indeed, if there is a Labour government, what answer

could they make to their opponents if they were pressed to put such a policy into operation?

The Prime Minister explained that the qualifying words in the Atlantic Charter—“with due respect to their existing obligations”—were inserted at his instance for the purpose of retaining for the House of Commons and the Dominion Parliaments the fullest possible rights and liberties over the question of Imperial Preference, although he was careful to add that “there must be a whole-hearted endeavour, begun in good time, to promote the greatest interchange of goods and services between the various communities of the world.” That is a sentiment with which we could in no way quarrel, but the debate did not leave the impression that the House of Commons as at present constituted had any desire to make that endeavour.

Money and Trade

Monetary policy was debated in the House of Commons on 10th May on a motion approving as a basis of further international discussion the principles contained in the Joint Statement by Experts (Cmd. 6519). It is not our intention to enter into the details of the plan proposed. Broadly speaking it involves the establishment of an International Monetary Fund to which each nation participating should contribute a defined quota, partly in its own money and partly in gold. Each country would fix a certain parity between its own money and gold, thus affording a standard parity between the money of any country and that of any other. Subject to certain requirements, a country could alter the parity of its money from time to time. Exchange transactions would be conducted through the fund.

What is more important than the details of this plan is the tenour of the debate. It inevitably extended beyond international monetary arrangements to international trade. The mover of the motion (Lieut.-Col. Walter Elliot) said: “If the promoters of such a scheme regarded it as a step back towards the 19th century, the Gold-Standard, Free-trade world, I should not recommend it and the House would not support it.” Mr. Shinwell went even further. He objected to the proposals of the experts because they involved the principle of non-discrimination, and if that is accepted “it is going to be exceedingly difficult, when we come to consider trading and commercial arrangements, to depart from that principle of non-discrimination.” He proceeded to quote with approval from Lieut.-Col. Elliot’s speech in the Budget debate about the “helter skelter

scramble of Free Trade” and the need for “a system of high organization of bulk purchases, trade agreements.”

Thus Tory and Labour were agreed. The view-point of the Tory can be understood. That of the Labour man is more difficult to comprehend, as the essence of socialism is supposed to be internationalism and non-discrimination.

“Expansionist Policy”

Two ideas underlying the opposition to fixed exchange rates were that this would cause other countries to be more affected by a depression which happened in one country, and that it would prevent any country from altering the value of its currency in order to carry out certain domestic policies. Mr. G. R. Strauss (Labour) expressed the first of these views, and praised the self-contained economy of Russia. Mr. Boothby (Conservative) said that “we must preserve at all costs . . . our right to pursue a policy of internal expansion designed to achieve full employment . . . we must retain control over our domestic rate of interest.”

The phrase “an expansionist policy” has been much in use recently. Few of those who use it appear to attach any precise significance to it. Mr. Boothby apparently correlates monetary expansion (inflation) with expansion of employment. This is a thesis which has been popularised by Lord Keynes, but very few of those who accept it at second hand know what is the ultimate basis of this theory. It is that unemployment is caused by too high wage rates. Because of the strength of trade union organization and the support of unemployment assistance men out of work refuse employment at lower money wages. It is, however, possible to reduce their real wages by means of inflation and higher prices. And, it is said, if prices are raised but money wages are not correspondingly increased, employers will employ more men. This is an argument which can be understood, but it is seldom presented in this blunt form. What cannot be so easily understood is why it should appeal to members of the Labour Party as well as to Tories like Mr. Boothby.

These New Economics

The twentieth century economics, which are supposed to be so superior to those of the nineteenth century, apparently teach the following propositions: (1) That bilateral trade is preferable to multilateral trade. In other words, that the tailor must only patronise a greengrocer who obtains his suits from him, and if the doctor does not need a new pair of shoes he will not attend the shoemaker. (2) That

it is of no importance to maintain stable rates of exchange. In other words, if an English manufacturer has sold a bale of cloth for one hundred dollars, he does not mind whether he can change them into £25 or £20 of English money, although the one means a profit and the other a loss. (3) That by putting money into circulation, you can keep down the rate of interest. But if by the rate of interest is meant the ratio between the net return to capital and the amount of capital employed, this will remain the same. Altering the measuring rod does not alter the ratio between two quantities. (4) That although workmen object to working for less money wage, they do not object to working for less real wages. But are they in fact as unintelligent as the people who propound these theories?

By way of relief we may quote two of the sensible observations made in the debate, both by Mr. Pethick-Lawrence: "No banking system can create expansion: the only thing that banking systems in the past have sometimes done is to check expansion." "The main risk of non-co-operation in this matter of international trade is that instead of getting multilateral trade we may go back to bilateral trade, and, what really it would be, bilateral barter; and it would be a very serious thing if we were forced back into that position."

Sun Yat-Sen's Policy

"Dr. Sun Yat-Sen was especially influenced by Henry George's *Progress and Poverty*. He never became a single taxer, but George's theories . . . left a permanent impression on his social teachings"—quoting from the long article in the May issue of *Great Britain and the East* on "The Theories of Sun Yat-Sen" by Dr. Hu Shih who, one of China's greatest living scholars, is now higher adviser to the Executive Yuan and was Chinese Ambassador to the United States from 1938 to 1942. Dr. Hu Shih gives a concise summary of Dr. Sun Yat-Sen's economic programme which is to be found in his "Outline of National Reconstruction," clauses (2) and (3) of which are:—

"(2) Each hsien (county) government, inaugurating self-government, must first determine the value of all privately-owned land within its jurisdiction. The owners shall themselves report the land value, and the government shall assess taxes on the basis of the declared value. All subsequent rise in land value due to political improvement and social progress shall be considered as the public property of the people."

"(3) All 'unearned increment' of land value, all products of public domain, all yield from the natural resources of the nation (such as mines, water-power and forests), shall be the public property of the local governments and shall be used for public enterprises and for public benefit."

Whether it is true or not that Dr. Sun Yat-Sen "never became a single taxer" depends on how this statement of policy is interpreted. The term

"unearned increment" is often used to mean the actual value of land apart from buildings and improvements and not merely that part of the land value which represents an increase after a given date; but the literal interpretation is the increased value and nothing more. Again, in Clause (2) one notices the emphasis upon "all subsequent rise in land value" for collection as public property, as if the present economic rent of land should not be so destined (?). On the other hand, Dr. Sun Yat-Sen proposed that taxes were to be assessed upon the ascertained land value, but did that mean (what would have made him a "Single Taxer") taxation levied to appropriate the actual economic rent of land in place of taxes levied on wages, on commodities and on industry and commerce? If so there was no need to specify "subsequent rise in land value" or "unearned increment" for particular treatment, since land value taxation correctly and fully applied would look after that; escaping the pitfalls and fallacious distinction that would allow economic rent to be divided between landowners and the community when the whole belongs to the community.

Polish Land Reformers

The Moscow correspondent of *The Times*, 11th April, referring to the Polish division that has been formed in Russia, makes the interesting note that "Political education is described as tending to lay stress on the common platform between all the democratic elements, and the future Poland to which the soldiers are taught to aspire is one with a Parliamentary régime, ethnographic frontiers, control of the army by Parliament, and a reformed agricultural system under which, as in Denmark, private holdings are made to square with co-operative purchasing and marketing."

Reuter's special correspondent, reporting in the *Manchester Guardian*, 10th May, watched with Professor Oscar Lange, Polish-American visitor from Chicago University, a review of the new and greatly expanded Soviet-created Polish army. Professor Lange had concluded a four-day visit to the Western Ukraine and had talked with many groups of men belonging to this substantially peasant army. "We want land to be divided up," they told him, "we don't want collective farms and we don't want small shops and enterprises interfered with. We want a democratic Poland, representative of all sections except the Fascists. We know we can only liberate our country with the help of the Red Army, but we don't expect the Soviet Union to interfere in our internal affairs."

Well may it be that these Polish peasants seek to emulate the example of Denmark, if in particular they appreciate those tax principles which laid the foundation of Denmark's agricultural success—the principles of the old Hartkorn tax, which made landholders contribute according to the potential productivity whether they used the land well or ill, and did not tax

improvements; the principles now applied to such a degree in the modern form of land value taxation that the Danish smallholders, landowners themselves, only want progress in that direction, carried to the full extent. They declared their faith in the historic Køge resolution of 1908—land value taxation, free trade, no tax on the work of man's hands, no State aids. But how, and how soon, may they be called on to assist with their advice their opposite numbers in Poland who have such visions of a reformed countryside?

A New Lead from Mr. Jinnah?

The Punjab Unionist Party, which is predominantly Moslem but is dependent on Sikh and Hindu support, represents the landed interests whose most able champion is Sir Chhotu Ram, the Hindu Revenue Minister. The New Delhi correspondent of the *Manchester Guardian*, 5th April, reports that Mr. Jinnah, president of the Moslem League, is insisting on the dissolution of the Unionist Ministry. The food crisis in Bengal and other parts of the country and the defiance by the Punjab Government of the Government of India's policy of price control have thrown into prominence the question whether the Moslem League represents the landlords or the poorer classes. Mr. Jinnah's uncompromising mood in regard to the break-up of the Unionist Ministry suggests the policy of gradually dropping the league's pro-landlord affiliations. "Such a development," the correspondent writes, "would be bound to have repercussions all over India . . . even if the Unionist Ministry should survive the present threat, it cannot hope to avert a landslide in favour of Mr. Jinnah at the next general election. Hitherto, particularly in view of Nehru's radical declarations against the landlords and autocratic Princes, these interests had come to regard the Moslem League as their protecting shield against Congress influences. Mr. Jinnah denied with emphasis yesterday in Lahore that the Moslem League represents the landlords. The Moslem League has also been interesting itself in the internal affairs of States like Gwalior, Jaipur and Kashmir. Should these tendencies continue it is likely that the vested interests will withdraw the support they have so far given the league."

Recent difficulties in connection with printing not only caused a very late appearance of our April issue, but also disabled us from producing a May issue. We have therefore made the present issue a double number covering the months of May and June, which is priced at 4d. instead of the usual 2d.

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THE ROAD TO SERFDOM

If THERE is any meaning in the conflict upon which we are engaged, it is that it is a struggle between two opposing and fundamentally divergent political philosophies. The one upholds the right of the individual to live his life in freedom; the other the right of the State to do as it will and to dispose of the individual to serve whatever purposes the State decides. The question which Professor Hayek poses in his thought-provoking book* is whether we are not in danger of losing our freedom in spite of winning the war. He points out that the development of the Nazi system was not due to some inherent vice in the German people, but to the steady growth of a system of ideas which exalted the power of the State, and denied the rights of the citizen. He asks us to recognize the existence in this country of the same tendencies and "to re-examine, and if necessary discard beliefs which we have taken over from the Germans and by which we are still as much deluded as the Germans were."

The mere statement of such a proposition will come as an unwelcome shock to most people. It is to be hoped that they will not on that account be deterred from reading a masterly examination of what is involved in the prevailing trend of thought in economic questions and of the political and social consequences of translating that thought into economic policy.

In a short review it is almost impossible to give an accurate impression of a book which compresses so much into so small a space. The difficulty is enhanced by the imprecise character of the terms used in political and economic discussion, and above all by the fact that most of those who advocate policies calculated to destroy freedom do so in the honest belief that they can thereby attain more freedom. Criticisms of the policy are therefore mistaken for opposition to the ideal or are interpreted as attacks upon the personal honesty of the individual who holds the belief which is called in question. That attitude will no doubt be adopted towards this book, but it does not dispose of the logic of Professor Hayek's economic and social analysis.

There can be no doubt that during the present century a profound change of opinion on economic questions has been taking place, and it has reflected itself in the economic policy of the State. In this country our policy had been directed towards removing restrictions upon economic liberty and leaving people free to pursue whatever aims they pleased subject only to a general framework of law which should apply to all equally. During and after the first world war a change of opinion took place. The State intervened more and more in economic affairs. Tariffs for the protection of a few industries were followed by more general tariffs, then by quotas and marketing boards

and other more direct means of preventing people from entering certain industries and creating a monopoly for those who were already engaged in them.

As unemployment increased, largely as a result of the pursuit of these policies by ourselves and other countries, the demand for more and more State intervention became intensified. Our economic troubles, no matter what their origin, were all to be cured by planning, that is to say, by State planning or direction. The search for the causes of economic evils was abandoned. The Marxian doctrine of the inevitable concentration of industry and of the inevitable drift towards collectivism became implanted in the minds of men of all parties. "The myth is deliberately cultivated that we are embarking on the new course not out of free will but because competition is spontaneously eliminated by technological changes which we neither can reverse nor should wish to prevent." Once this idea has become embedded in men's minds, the progress towards totalitarianism can be very rapid, as Professor Hayek shows was the case in Germany.

The idea of economic planning is seductive. We all know that if we are to succeed in any activity we must plan what we are going to do. It seems to follow as a matter of course that economic planning by the State is the right course to pursue. In whatever field of action that is properly undertaken by the State, it must no doubt have a plan of action. But this does not answer the question: what is the proper field of State action? Those who adopt a completely collectivist or totalitarian view consider that the State must control the whole production and distribution of wealth. Indeed, if it controls the production of wealth it must automatically control the distribution, because all wealth produced will be the property of the State.

Thus the State will determine what shall be produced and what each individual shall have. That is to say, that a small minority of the people will decide what the rest of the people shall do and what they shall have. The enforcement of these decisions must rest ultimately upon force, upon the use of police power, or else it must rest upon propaganda, upon the control of the Press, the radio and all means of disseminating opinion in order to make the people believe that what is done is best for them—in other words, they must be forced to accept or induced to believe that the plan made for them is what they want.

In a free economy the matter is entirely different. What is produced is determined by the wishes and desires of consumers. The producers have to adjust themselves to this demand. It may be said that this imposes an economic compulsion. So in a broad sense it does. But the matter is entirely different from affairs in a planned economy. There the consumer can no longer please himself. If the ration is

four ounces of margarine and two ounces of butter, he has to take it or go without. If he endeavours to adjust matters with another citizen who has different views of the relative desirability of these commodities, then they are both guilty of the offence of private trading.

It will be said, however, that the State will produce just what consumers want. No one, however, has yet suggested any means except the mechanism of a free market for ascertaining and giving effect to the wishes of consumers. It is, in fact, admitted by the advocates of economic planning who have given any thought to the mechanism of planning that the plan must be devised by a small body of so-called experts. Unless that is so the plan as a whole cannot be made to hang together. Even so, it is difficult to make the various parts of it consistent with one another. This perhaps explains why in the Russian plans the State never seems to have achieved the exact quantity planned for, and the percentage of achievement varies from commodity to commodity. The planner starts by presupposing what quantities of goods the consumers need, and then adjusts his plan to try to produce these quantities. He may find it impossible to produce the quantities at which he aimed, or at least impossible to do so without wasting quantities of labour and capital.

But it will be said, if our unplanned economy works with any degree of success, a planned economy must work much better. This contains a fallacy which Professor Hayek clearly exposes. Our present economy is not an unplanned one. The planning is done by individuals in a range of activity with which they are familiar and in which they are expert. The plans of all these individuals are co-ordinated or kept in harmony by means of the mechanism of the market. The consumer chooses this or that according to the price asked and his own judgment of what it is worth to him. The producer has to adjust his activity accordingly. The penalty is an economic one. If there are too many grocers, some will have to seek other occupation. If there are too few, people will be attracted to that trade from other occupations.

It will be said that this is a simplified and idealised picture, that the penalty of failure is unemployment, starvation and misery. But these are not the inevitable results of a free economy; they are only the results in an economy which is imperfectly free, in which the opportunity to turn from one occupation to another is somehow lacking or denied. We are therefore driven back to a search for the causes of monopoly and imperfect competition.

What above all is to be remembered is that every extension of State planning prevents individual planning. The intervention of the State produces an arbitrary element in economic life which upsets the plans of the individual. It is on this account, as Professor Hayek

* *The Road to Serfdom*. By Professor F. A. Hayek. (George Routledge & Sons Ltd.; 16s. 6d.)

so cogently explains, that every step in State planning of economic life leads to other steps. If the State imposes a tax on matches, it then has to impose a tax on petrol lighters, and if some other substitute is found will have to extend its activities still further. If it fixes the price of some commodity in order, as it thinks, to give the producers a fairer return for their labour, it must prevent competitive supplies from being imported and it must prevent new home producers from entering the trade, and then for fairness it will have to impose a quota upon what each produces. The benefit which is conferred upon one group produces envy by other groups and pressure upon the State for the like benefits. At the same time the special privileges conferred upon some, impoverish all the rest either in higher prices or lower earnings. Although, and because, the chain of cause and effect is not understood, this produces a fresh clamour for State intervention. It is on this account that the drift to totalitarianism once begun proceeds with ever increasing speed until it sweeps all before it. The State, which perhaps had no such intentions, and proposed merely to help some influential industrialists or a rather strong trade union, finds itself before long called upon to fulfil a task which it has not the means to do and which is inherently impossible. It has destroyed the means of individual planning, and its collectivist planning cannot take full account of the needs of individuals because it lacks the mechanism of the market and of private property—the two things which are the foundations of freedom in economic affairs.

All this argument will be distasteful to those who think of collectivism as a democratic system and as a means of achieving greater freedom for the individual, and these are no doubt the majority of those who adhere to the idea. But the question is what will the extension of economic planning in fact lead to when it embraces the whole of economic life. If we do preserve the forms of democracy, can we preserve its substance? It is impossible to put before the electorate the details of an economic plan; the complexities of it are too great. Neither is it possible to put before them the principles on which such a plan is to be constructed, because there are no principles which are capable of formulation in exact terms. The idea is supported by vague general aspirations, such as the famous phrase: from each according to his ability, to each according to his need. Such ideas cannot be embodied in an Act of Parliament. There is no means by which ability or need can be measured in the absence of a market in which these things are subjected to economic valuation as a result of the interaction of millions of individual valuations. Thus, in fact, if the forms of democracy are preserved, all that the electors can at most determine is who are the individuals who will be entrusted with the duty of making and executing the plan. They must inevitably hand over to a few the duty of

deciding what shall be produced and for whom it shall be produced. This is the end of economic freedom, and it is likely to be the end of political freedom. The prize of attaining office under such a system is the achievement of a power over the lives and fortunes of others such as no ancient tyrant ever enjoyed. Nor is there the slightest chance that the best will come to the top. On the contrary, because there are no simple and easily formulated issues which can be voted upon, those will succeed who can most cunningly promise the most incompatible things to various groups of electors. It is an easy step to the one party state and to the dictator.

All this seems at present an impossible outcome to us who have inherited the results of many centuries of struggle to curb arbitrary power and to regulate the affairs of men by an impartial application of law. But did it not seem equally impossible to most of the inhabitants of the totalitarian countries forty years ago? Did not most of them acquiesce in, if they did not actually promote, the changes which lead to dictatorship because they accepted an order of ideas which lead to that result?

All this is not to say that we live in the best of all possible worlds; that there is no field for improvement or for reform. What it does point to is that the road of progress is that which on the whole has been followed in the past, which has brought us out of slavery and serfdom into a condition in which the scope for initiative has been greatly widened and in which men are free to pursue their ends with greater freedom and in which reward is to some degree correlated with effort and responsibility. But if individuals are no longer able to plan, responsibility is destroyed. What is needed is not less freedom, but more; not the creation of one gigantic monopoly, but the destruction of monopoly and privilege wherever it may appear and whatever form it may take.

Rightly understood, this book is not a defence of things as they are. Its message is properly for those who belong to the "left" in politics. It may shake many commonly held beliefs, but it deserves to be read by those who sincerely desire to combat totalitarianism in all its manifestations.

"QUOTE ME RIGHT"

In the Debate of 20th April, Mr. Churchill, interrupting Mr. Wedderburn who had quoted a famous Churchillian statement, said: "They might quote me right anyhow." We have looked up the records and here are two authenticated versions: At Manchester on 13th May, 1904—"Sentiment by the bucketful; patriotism by the Imperial pint; the open door at the public Exchequer; the open door at the public house." At Dundee on the 8th May, 1908—"Sentiment by the bucketful; patriotism and Imperialism by the Imperial pint; an open door at the public Exchequer; an open door at the public house." Neither of these speeches is contained in H. W. Massing-

ham's collection of Mr. Churchill's speeches, *Liberalism and the Social Problem*, published in 1909.

THE MARCH 1939 "CEILING"

In the House of Commons on 27th April, Mr. R. R. Stokes asked the Chancellor of the Exchequer "whether any data exist whereby he can now ascertain what was the value of land as in March, 1939, with or without its present improvements, which may be the subject of purchase for public purposes; and whether, if no such data exist, it is proposed, in order to establish the purchase prices ruling in 1939, to have a valuation made ascertaining, in respect of each piece of land, what its value was assumed to have been in 1939."

To which Sir John Anderson answered that he was advised that sufficient data existed to enable the value to be ascertained as at March, 1939, of any land that may be the subject of purchase for public purposes.

Not a helpful reply. The fact is that no general valuation of land as at March, 1939, or at any other date exists. The data which may be used for arriving at a valuation of this or that piece of land, as it was in March, 1939 (or any other date), are no different from the data that have always been available to the valuer of the Inland Revenue when his opinion is asked in any given case, such as particulars regarding recent sales and leases or recent death duty valuations of land in the vicinity which may serve for comparison. These particulars, however, are secret. Neither the purchaser nor the vendor has access to them, and in arbitration cases the local authority has not the advantage of being able to cite or depend upon any evidence which may be in the possession of the Inland Revenue.

MIDDLESEX

The debate on Councillor John Boggan's resolution on the Rating of Land Values, reported in our April issue, had an extraordinarily good "press" in the Middlesex newspapers. This fine publicity is some compensation for the defeat (by 54 to 27) of the motion. The opposition could not withhold from the public the unanswerable arguments, supported as they were by telling instances, that Mr. Boggan and other speakers provided in justification of the policy. Middlesex had spent £6,000,000 on the construction of arterial roads, and in the resulting increase in frontage values had made a gift of £15,000,000 to landowners who had done nothing to bring about these public improvements. The Council in the effort to get a green girdle around Finchley had had to pay £10,000 for two acres of land near an arterial road which previously had commanded only an agricultural value. Similar examples of school and factory sites were given.

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FOR WHOM THE RAIN FALLS

A Bill has been presented in Parliament based on the White Paper, Cmd. 6515, "A National Water Policy," which was debated in the House of Commons on 3rd May. The scheme provides for the extension of piped water supplies and sewerage in rural areas, and piped supplies for agricultural land are to be extended to cover farm houses and cottages. For these purposes there are to be Exchequer grants amounting to £15 million for England and Wales and £6,375,000 for Scotland. The financial effect of this very necessary improvement will certainly be to raise the value of land, and already in anticipation it will influence enhanced land prices; but the White Paper is completely silent on that aspect of the matter, and therefore makes no provision for dealing with it. The scheme is commended as one of the important objectives of the Report of the Scott Committee on Land Utilisation in Rural Areas, again without reflection that it was the landlord's estate the Scott Committee proposed to improve, disregarding the claim of the public to the benefit of public expenditure, inferentially leaving the taxpayer to pay for all and offering temptingly higher stakes in the speculative land game.

The new Bill is to provide that in rural districts the expenses of water supply, so far as they are not paid by consumers, and of sewerage will be charged to the general rate and thus spread over the ratepayers of the district; provision will also be made for contributions by county councils to grant-aided schemes, which is to say that the county council rates will also help to meet the cost. Throw the expenses on the ratepayers (and the taxpayers), *never mind by what kind of taxation the burden is to be borne or with what economic effects is the outlook of this and the other White Papers on post-war reconstruction schemes.* The cost of the new Education Bill will ultimately involve an addition of £40,000,000 a year to local taxation; the proposed National Health Service names £48,000,000 as the necessary annual contribution by ratepayers, besides £48,000,000 from national taxation and £36,000,000 from the "social security fund"; which "fund" when it is established will be just so much taxation assembled in the poll taxes, the taxes on employment and "Exchequer contributions" to finance the social security proposals Sir William Beveridge has made.

It is sufficiently alarming that Parliament should contemplate placing the present rating system under greater strain or be moved to aggravate its intolerable injustice. Every addition to the rates imposed as they are to-day adds to the penalties against the better use of land, and correspondingly increases the value of the privilege and therefore the power which by its exemption the land monopoly exercises. These methods of trying to raise revenue are a proved cause of housing

scarcity, high rents and the calamities of unemployment and hard times; and it is only by virtue of ever-increasing subventions from the Treasury that local government is saved from going bankrupt.

The unfairness of the proposals in this Water Supply Scheme stands out quite nakedly. The expenses are to be borne by the ratepayers in the counties and rural districts, that is, by the occupiers of houses and other premises, whereas the benefit will send up the value of agricultural land—and agricultural land is itself exempt from local taxation entirely in England and Wales, and is assessed at only one-eighth of its rental in Scotland. It is difficult to imagine anything more bare-faced in the way of a landlord's law or which more clearly reveals the urgency and the justification of the rating and taxation of land values.

In the matter of acquisition of water rights the White Paper proposes that the Minister should be empowered to take water compulsorily, since "it has long been a matter of complaint that even undertakers operating under the Public Health Acts (and therefore not requiring specific Parliamentary approval for new works) may be forced, if seeking supplies from a river or stream, to incur the expense of an Act of Parliament or to avoid this necessity by paying an exorbitant price." It is also proposed to extend to water undertakers operating under local Acts the facilities for compulsory acquisition of land already possessed by undertakers operating under the Public Health Acts.

But the conferment of compulsory purchase powers is no solution of the matter. The Arbitrator can do no more than arrive at what he considers to be the market value of the rights or of the land in question. In effect he awards the price of a monopoly and in the circumstances as they exist, which would be wholly altered if taxation were levied on land values; for the monopoly would be broken which causes the very rain from the skies to fall upon the earth as someone's private property.

The following are some instances bearing on the water problem. They teach their own lessons:—

At Ashen in Essex: *The Halstead Gazette*, 23rd April, 1937, reported that at the meeting of the Rural District Council the Medical Officer of Health said there was no satisfactory water supply and during the drought the shortage had been acute. The acquisition of a site for a borehole was discussed. Later it was learned that the Council had to pay £20 for a piece of land 100ft. by 50ft., agricultural land entirely exempt from rates, the price being equivalent to £174 per acre.

At Foxearth, in the same vicinity and some years earlier (September, 1934), two borehole sites were acquired, and the prices were £11 10s. for 36 sq. ft. and 5s. for 6 sq. ft. The price of £11 10s. for the 36 sq. ft. of unrated

agricultural land works out at £15,900 per acre.

An instance from Scotland is that of the Gordon Water District in Berwickshire, where a hospital extension necessitated an increased water supply. The information was given by a local councillor and was published in *Land & Liberty*, April, 1937. There was no other person wanting the water; there was no future likelihood of anyone else wanting it, running to waste as it was and costing the owner money to drain away. Two springs were acquired, and the cost was for the two springs £275; for land taken up round them, a few square yards, £5; for site of collection and storage tanks, £5; for servitude, or easement, supposed to represent damage done by any water officials visiting the tanks, £25; for surface damage, £17 10s.; for further damage and disturbance, £5—total, £402 10s. The land was inferior moorland pasture and £400 would have bought 100 acres of it outright. The case was decided at arbitration. So much for compulsory purchase powers as a means to cheapen either land or water.

[The Rural Water Supplies and Sewerage Bill had Second Reading on 18th May. In the debate, Mr. F. C. R. Douglas protested against the injustice in its provisions.]

Under the present system of subsidies a farmer who has first-class land gets the same treatment as the farmer on poor land. On first-class land, the farmer can produce seven to nine quarters of barley per acre and gets about £40, but the farmer on poor land who can produce only three or four quarters gets £16 to £18.—Sir Murdoch Macdonald (Liberal National—Inverness), House of Commons, 27th April.

In the past the annual Budget represented the degree of the economic activities and responsibilities of the Government of the 19th century. That was a time when the State undertook only very limited economic activities. As regards foreign countries its policy was one of Free Trade, and the exchanges were controlled by the Gold Standard. In the 20 years between the two wars, the whole of that conception was rapidly changing. The State was increasing its activities, both in participating more directly in the economic life of the country, and influencing it, in many financial ways. It was coming to accept responsibility for the employment of the people and the prosperity of the country as a whole. It used tariffs, subsidies and quotas. It managed the currency for the whole of the sterling area. In fact, during those years we were moving in the direction of a planned economy. Now I believe we have pretty well arrived there.

—Mr. H. Molton (Conservative—The High Peak), House of Commons, 27th April.

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UNIVERSITY LANDOWNERS

ATTENTION HAS been drawn in these columns from time to time to the proclivity of universities, colleges and other educational institutions for investment of their resources in purchase of land. Being classed as charities such bodies pay no income tax, and being corporations which never die they are not liable to death duties. Many of these purchases have been of agricultural land, which is not liable to local rates, and the value of which has risen enormously because of the war and the high and assured prices for agricultural products. In an article in the *Daily Express* (10th May) Mr. Michael Stuart says that "the universities during four and a half years of war have been grabbing land with gusto."

"Already in 1939 Oxford University owned 179,000 tax-free acres in 47 counties, and Cambridge was not far behind with 115,000 acres in 39 counties. Tax-paying farmers could not easily bid against them."

"Often the colleges would make a handsome profit by selling their land in developing areas. All Souls, Oxford, for example, claimed £262,000 for 160 acres at Wembley in 1937. They were awarded £214,000—more than £1,300 an acre."

"Consider the war-time purchases of Oxford, largest of university landowners. Perusal of the 295-page forest of figures which constitutes its last published accounts informs me that the land may be bought in two ways—by the university as a whole, at the behest of the curators of its chest; or by the colleges, acting independently."

"In 1942, the year to which the last published accounts refer, the revenue drawn from estates owned by both colleges and university chest amounted to the not inconsiderable sum of £470,000. All Souls College alone drew £66,214. Queen's College drew £45,302."

"What did they do with this money? They bought more land with it. To be precise, they bought £260,000 worth of land. The biggest buyer was Magdalen College, which invested in estates the sum of £101,640. This is strange, since its revenue from estates amounted to just under £80,000."

"In other words, Magdalen College had such wealth that it was able to spend £20,000 more in buying land than its annual revenue from existing estates. How?"

"During the year it sold £22,452 worth of land. The proceeds of this sale, plus the entire revenue of the college, went back into land, since the college could find no more charitable use to which it might put its revenue."

"All Souls College also became embarrassed by its unwieldy wealth and hastened to transmute it into land. Its case is even stranger than that of Magdalen, for it bought £92,900 worth—£26,000 more than the total of its estates revenue. But the fellows of All Souls did not find it necessary to sell one acre of its great properties to get together this £92,900."

"This clearly means that the money which these colleges draw from their land is considerably greater than the sum necessary for their charitable dispensations. In fact, if All Souls owned not one square yard of land outside the precincts of the college it would still have had £26,000 to invest."

Mr. Stuart points out that these bodies have other sources of income. At Oxford, for example, the university chest "obtained in the year ending 31st July, 1942, £57,000 for admission fees, degree fees, and all the other fees the curators saw fit to impose upon the young and humble seekers after knowledge."

"Then there are those munificent gentlemen who down the ages have endowed the chest with the money to pay for libraries, scholarships, museums and professorships. The revenue from such trust funds amounted in the year we are considering to £161,000."

"The Government as well felt compelled to come to the aid of this hardly impecunious university, and this to the tune of £106,000—a recurrent grant."

"All told, the chest received, apart from its estates revenue, no less than £23,107 wherewith to dispense its annual charity. And each individual college likewise derived income from its own particular fees, grants, trust funds, special funds, and contributions. In the case of Magdalen College, for instance, these totalled £44,000."

We are, of course, in favour of education, but the facts stated do raise the question whether the grant of so much public money is needed and whether the benefit of it is actually being passed on to the students. They also raise the question whether institutions so endowed can be expected to take an impartial view of the land question—an inquiry to which point is given by the tendency of university economics to classify land as capital and indeed to leave the word land out of their teaching completely."

Adam Smith, David Ricardo and other founders of the science would certainly be amazed to read textbooks which completely ignore the fact that all wealth is produced from land and which never allude to the fact that "every improvement in the circumstances of society tends, either directly or indirectly, to raise the real rent of land, to increase the real wealth of the landowner, his power of purchasing the labour, or the produce of the labour of other people."

"The introduction of the P.A.Y.E. scheme has not been without its humour on the official side. One good story concerns a certain Welsh farmer who, having received the parcel of literature about the scheme, wrote back to the authorities stating that it was all too complicated for him to understand. He had accordingly dismissed his only labourer and decided to do the farm-work himself."—*Western Mail*, 28th April, 1944.

FOR THE LIBERAL ASSEMBLY

The following is the text of the Resolution which the Liberal Liberty League submitted for inclusion in the Agenda of the Annual Liberal Assembly, whose meetings have been postponed from May till later in the year.

"LAND AND LIBERTY"

"This Assembly endorses the resolution adopted by the London Liberal Party on 16th October, 1943, affirming that 'it is not in the public interest, nor is it necessary for the purposes of reconstruction to purchase with public money Land Values which are created and maintained by the public; that the value of the development rights which the Uthwait Committee proposes should be purchased is merely a speculative value due to Land Monopoly which should be taxed out of existence'; and affirming that 'the Taxation and Rating of all Land Values, whether urban, agricultural or mineral, and the untaxing and unrating of buildings and other improvements on or in the land, are the indispensable pre-requisites for reconstruction and development after the war'."

"The Liberal Party reasserts its faith that the development of individual liberty is the true way of raising the standard of the individual. It disclaims the 'economic planning' of a paternal and coercive State. It holds that the way to liberty is to release the individual from controls by privileged classes, monopoly and officialdom; so that, with the distribution of wealth assured to those who produce it, the drift to totalitarianism may be arrested and the masses of the people, given economic independence, may follow the Liberal Party in establishing a society free and confident in wider liberty. Such a society would be evident to the world as a peace-loving state without any motive for aggression. The Party therefore pledges itself by the policies it advocates to make the rights of the individual under equal opportunity its paramount concern."

The Liberal Liberty League, 4 Great Smith Street, London, S.W.1.

The Metropolitan Water Board pay, year by year, and will go on paying for 500 years from 1581; when a gentleman got permission to take water from the river Thames at London Bridge. He established his wheel there to take up the water and to distribute it in a very limited fashion round about. Because he obtained that power as a freeman of the City of London, the Metropolitan Water Board and the people of London have been paying since 1581, and will pay till 2081, a sum of £3,750 per year to the descendants of that man. I believe there is still a company. That kind of company ought to be done away with. It is disgraceful that the people of London should have to pay tribute such as that. The nation ought to take power to destroy that kind of thing.—Mr. V. L. McEntee (Labour, Walthamstow W.), House of Commons, 3rd May.

NOTES AND NEWS

Sir Richard Winfrey, of Castor House, near Peterborough, who has died, aged 86, was for many years a regular and generous supporter of *Land & Liberty* and of the Henry George movement. He was Liberal M.P. for S.W. Norfolk from 1906 to 1923, and represented Gainsborough in the 1923-24 Parliament. He was Parliamentary Secretary to the Board of Agriculture from 1916 to 1918. His fame as an agriculturist and land reformer well deserved for him the place H. J. Massingham gave him in his *English Countryman* as one of the "Good Squires" who in their time have done very much for their fellow men. Sir Richard was one of the first to join the new Liberal Liberty League. He was specially represented at the Inaugural Meeting, and in his letter, enclosing a most helpful subscription, he wrote: "The unwillingness on the part of the Party leaders to do anything to revive Liberalism is most appalling. . . . I agree entirely with your circular. I took the chair for Henry George about fifty years ago, and I am more certain than ever that his is the true gospel regarding the land."

The *Essex County Standard*, 24th March, reported the meeting of the Colchester Co-operative Political Party which discussed regional versus local government. Councillor L. M. Worsnop opposed regionalism, and in reply to the suggestion that smaller authorities could not sustain their finances, he stated that this could be dealt with by a change in the rating system. Now, improvements in properties led to increased assessments whilst neglected properties escaped. This was a tax on enterprise and foresight. Land values should be the basis of local rates and the application of this system would bring in vacant and unused land. The rates in Colchester would be decreased by this method, and there would be no question of local bodies lacking resources. He described regionalism as a move towards a soulless bureaucracy and a departure from public control of Councils by the inhabitants of any locality.

The Parliamentary correspondent of *The Times*, 16th May, writes:—

The Bill relating to the redevelopment of urban areas which need replanning as a whole—because of enemy action or slum conditions—is now ready and will be presented to Parliament very soon by the Minister of Town and Country Planning. This measure will restrict the price of land needed by local authorities to a standard comparable with pre-war values and will make it possible to buy more speedily land required for reconstruction purposes. The Government propose to pass it into law this session.

It had been proposed that there should be published about the same time as the reconstruction areas Bill the Government's views and proposals about the wider issues of land policy

raised in the Uthwatt report. Lord Woolton promised in March that these proposals would be presented to Parliament "after Easter." But it is not now certain that the White Paper on compensation and betterment will be issued at the same time, as a general background to the Bill. There are obvious disadvantages about treating one aspect of the land problem in isolation from the rest, and the procedure to be adopted is still being discussed by Ministers. The proposals to be included in the White Paper—whenever it is issued—will be thrown open to Parliamentary and public debate, and will not be made the subject of legislation till next Session.

The National Union of Distributive and Allied Workers, holding annual conference in London 3rd to 5th May, adopted resolution submitted by the Preston branch declaring that low wages and grinding poverty are inevitable where there are more men available than jobs; that the remedy is not to be found in the "finding" or "making" of employment by Public Authorities, but in first breaking down the legal barriers which prevent the people from using the natural opportunities for employment in the agricultural, building and mineral lands of the country, now unused, and that the first step to this end can be effected most easily by means of the taxation of all land, used and unused, on its unimproved selling value.

There is one sort of heresy . . . of which both the Catholic and the Protestant Churches have always shown a quite peculiar terror. It is that which consists in taking literally the very frequent allusions in the Scriptures to the wickedness and consequent damnation of the rich and the blessedness of the poor. This had been the crime of the Circumcellions, a militant sect of the fourth century which sprang on the African *latifundia* under much the same circumstances as the Spanish Anarchists, and it was also the crime of the Waldenses and of the Anabaptists. What the authorities could not forgive in these sects was the emphasis they laid on the social teaching of the Gospels. And it will be remembered with what almost insane fury Luther urged the destruction by fire and sword of those peasants who were compromising him by taking his teaching on Christian freedom in a literal sense. The reason for this violence is obvious. The Bible, and especially the New Testament, contains enough dynamite to blow up all the existing social systems in Europe, only by force of habit and through the power of beautiful and rhythmical words we have ceased to notice it. An intelligent Chinaman has been more observant. Sun Yat Sen, when he visited Europe, was amazed that a religion which persistently extolled the poor and threatened and condemned the rich should be practised and maintained chiefly by the richest, most selfish and most respectable classes. The political

skill and duplicity required for such a feat seemed to him to go far beyond anything that simple Orientals could run to.—From *The Spanish Labyrinth* (Cambridge University Press), by Gerald Brenan.

There was a special article by Councillor W. E. Hopper, "After the War Ideals," in the *Armley and Wortley News*, 7th April. "To cheapen costs of houses," he wrote, "and stop profits being taken by private individuals which nobody can manufacture, a system of taxation and rating of land values should be introduced." And the article, which dealt extensively with the liberal ideals of liberty, concludes by saying that development of the individual is our greatest opportunity and privilege, for in the expansion of the human soul we are forming the nucleus of the ideal democracy.

The Liverpool Institute of Public Speaking, non-political, unsectarian, is warmly commended to our readers for the services it can render. Its objects are to promote improvement of speech, to stimulate a wider interest in the English language and literature, and to enlighten and instruct public opinion on matters of national, social and economic importance. Principal and chairman of the governing council is Mr. Walter Ridley; hon. secretary, Mr. John Hermges. Address: Church Hall, Caledonia Street, Liverpool, 7.

It is with much sorrow that we have to report the death of Michael Smithson, which happened suddenly while he was at home on leave. Our sincere sympathy is with the bereaved father Mr. Charles H. Smithson and with his daughter. Our sincere sympathy is also tendered to Mrs. Edith Edwards and Mr. and Mrs. Eustace Davies in the bereavement they have sustained by the death of Evan Edwards, after a prolonged serious illness in hospital, by which also the Welsh League has lost a most faithful member.

A letter by Herbert T. Owens was published by the *Ottawa Citizen* in which he takes up the cudgels with Mayor Stanley Lewis, who had declared that no building in any municipality should escape taxation. "In groping for a solution his worship has grasped the wrong end of the stick; if he had said that no building *tot* should be exempt from taxation he would have been on unassailable ground." The letter explained what cities in other Dominions, as in New Zealand and the Transvaal, had done by way of exempting buildings and levying the local taxes on the value of land whether used or not.

2d. HOW THE ENGLISH PEOPLE BECAME LANDLESS. And How to Regain the Land.

6d. LAND VALUE TAXATION IN PRACTICE. Review of what has been done in a number of countries. By A. W. Madsen, a.s.c.

1s. A BIOGRAPHY OF HENRY GEORGE. By Professor George R. Geiger.

THE BUDGET AND WHAT NOT TO TAX

SPEAKING ON THE Budget Proposals in the House of Commons debate, 26th April, Mr. F. C. R. Douglas said:—

It is a proper object of fiscal policy to encourage the greater production of wealth in this country, and it may be that the relief which is given to the smaller enterprises which are subject to the Excess Profits Tax will have that effect, because it will give a greater incentive to those who own and control them to extend and to develop their enterprise.

The concession which has been promised by the Chancellor in respect of depreciation of plant, equipment and buildings means, in effect, that the State is going to subsidise, to the extent of 20 per cent. or to the extent of the difference between 20 per cent. and the amount of allowance which would be given under the existing system, the installation of new plant and machinery. The total amount involved in this, during the first years immediately succeeding the peace or armistice, may be in total an enormous figure. Where is the money to come from in order to meet this deficiency of revenue? If these concessions are made in the depreciation allowances, and, consequently, in the amount of taxation which is levied upon industrial and productive enterprises of all kinds, it must inevitably follow that the amount of the reduction of taxation which other payers of Income Tax will be able to expect is correspondingly diminished. It means that the ordinary workmen and salaried employees will have to contribute towards this concession, which is given to certain classes of the population, and I want to remind the Committee of the extent to which indirect taxation has now risen. It is an enormous tax, spread over the population, but it is taxation which, from its very nature, must inevitably fall with heaviest effect upon those least able to bear it, and every concession of the nature which the Chancellor indicated will tend to retard the reduction of that taxation which is falling with so very great effect at the present moment. As I have said, I accept the general proposition that it is proper for the State to encourage production, if it can do so. I want to suggest to the Committee that sufficient attention has not been given to the foundations of policy with regard to that. Our system of taxation has treated as absolutely identical, income from land values and income from the investment of capital on buildings, machinery and plant, whereas the one is entirely due to general community influences and the other to individual effort and expenditure. This matter is of exceptionally great importance at the present time, when the nation is faced with a very great shortage of housing when it is necessary that the building of houses should be encouraged as much as possible, and they should be available to those who occupy them at the lowest rents which can be achieved. As long

as our system of taxation, local as well as national, continues to impose a very large burden upon the provision of housing accommodation, it will be difficult, and increasingly difficult if present trends of taxation continue, to provide that accommodation in the quantity and at the rents at which it ought to be provided. There is a field of reform in which the Chancellor, if he would, could do something of the very greatest value towards encouraging industry, generally not merely by the relief of taxation upon the produced articles, but by a general levy of taxation upon land, whether it is used or whether it is not used, in order to ensure that it will become available for use without being held for speculative purposes and will become available for use at a reasonable price.

This Budget contains no increase of taxation but it does, in effect, contain a threat of an increase in taxation, because the Chancellor has intimated that he contemplates reducing the amount of the subsidy which has been given for the purpose of keeping down the cost of living. If that Exchequer assistance towards keeping down the price of food or other essential commodities is withdrawn, in whole or in part, it is virtually equivalent to an increase of taxation and one which will fall most severely upon those who are most necessitous. There is no justifi-

cation for the course of action which he is proposing to take unless it is based upon the argument that the price level has changed and that the rates of wages have got out of proportion with the prices of commodities. That is simply a statement that inflation is already taking place in this country. If that is so, it is the business of the Chancellor of the Exchequer to stop it at the source and not to attempt to readjust matters at the expense of those in the community who are most necessitous. That is not the way in which the problem should be tackled. It is distinctly an alarming position to see that the Chancellor of the Exchequer has, in effect, made the admission of the existence of inflation, and that he does not propose to go to the root of the trouble, but proposes to take a step which is likely to have the result of speeding on the process of inflation by calling for more increases in prices. It would be far better if the Chancellor of the Exchequer would apply the methods, which to a great extent have been applied successfully hitherto, of increasing taxation and diminishing spending power rather than that we should pursue the opposite course of allowing spending power to increase, increasing the amount of money in circulation, raising the general price level, and making the whole readjustment of our economy for the post-war situation more difficult than otherwise it would be.

THE COUNTY OF LONDON PLAN

WHEN WE reviewed this proposal (August, 1943) we mentioned that the London County Council had adjourned consideration of it until the comments of bodies affected by it had been received. The following extracts from a report adopted unanimously by the BATTERSEA BOROUGH COUNCIL on 29th January last deserve to be put on record:

It will be evident that existing legal powers of planning are entirely insufficient to enable a plan of this magnitude to be carried out, and in particular that present procedures for the acquisition of land are too dilatory and expensive. With all possible improvements in these respects the Plan will still be extremely expensive to implement, even although its complete realization is spread over a long period.

The responsibility for executing the Plan rests upon the County Council, and the cost will fall upon the County rate. To the extent to which it increases the rate payable in each borough it will impinge upon the amount of rates which can be raised for other purposes. So far as the Plan influences the cost of housing and other services administered by the boroughs it will also affect their financial position.

The proposed reduction in density of population will reduce the number of ratepayers who have to defray the costs of local government. No corresponding diminution of those costs is, however, to be expected. In particular, the expense of executing the Plan so

far as it consists in acquiring land for new or widened roads, open spaces, and other purposes will be largely determined by the standard of values created by the existing population, and not by that set by a future reduced population. It is to be hoped that the advantages of the Plan, and economic progress generally, will eventually lead to compensating increases of land value.

The existing system of local rating and town planning affords no effective means of securing for the community which has to bear the cost any share of the land values created by the Plan. We are, therefore, of the opinion that it is urgently necessary that some system of local rating of site value, such as that contemplated by the County Council in its London Rating (Site Values) Bill, 1938, should be brought into effect.

Such a measure would not only have the result of securing a proper recompense to the community of values created by public expenditure, but would also have other beneficial effects. It would, for example, in providing a uniform and general valuation of sites, supply a standard by which claims for compensation for land acquired could be measured and excessive claims avoided. In so far also as it relieved houses and other buildings and improvements from local rating it would encourage the provision of more accommodation and conduce to a lower level of rents.

IMPERIAL PREFERENCE IN THE DOMINIONS DEBATE

On 20th April the House of Commons debated "Empire and Commonwealth Unity," on a motion by Mr. E. Shinwell (Labour, Seaham) declaring that "The United Kingdom should do its utmost, by close co-operation and regard for the different points of view of the nations of the Commonwealth, to preserve in time of peace the unity of purpose and sentiment which has held them together in time of war." Imperial preference was the dominant note of many of the speeches, and from both sides of the House much protectionist doctrine was heard. Winding up the debate, Mr. Churchill explained—for the first time publicly—the origin and the purpose of the qualifying words "with due respect for their existing obligations" which were introduced into the Atlantic Charter to blunt the edge of its Free Trade declaration. We comment elsewhere upon the tone and trend, and the political significance, of this debate.

Mr. E. SHINWELL: The Dominion countries can only survive by selling their primary products. But in order to dispose of their primary products there must be markets to absorb them. Where are those markets? Markets do not emerge simply because you are anxious to export; markets only emerge if you assist in creating them, and, having created them, maintain them. There is a British market still—one of the most important bargaining factors in relation to trade and commerce. I speak quite frankly and without any prejudice on the subject of fiscal policy. I think there has been too much talk of fiscal policy in the past and too little recognition of what was best for the country as a whole. After the war we shall have to export twice as much, and perhaps two and a-half times as much. Where shall we look for this increased trade? By all means have a trade agreement with the United States, but let us look elsewhere if we are seeking for markets to absorb our products. The Americans will discover, after the war, that a problem will emerge of how to dispose of their surplus products. Where are they to find markets? In our markets and by entering into agreements, one by one, with the Dominion countries, to their disadvantage and, subsequently, to the disadvantage of us all?

Sir ALFRED BART (Conservative, St. Pancras, S.E.): I will fight with all my strength against any proposal to sacrifice the substance of Empire trade and Imperial Preference for the shadow of universal co-operation, at least until and unless a state of full employment has been reached and has got beyond the realms of pious hopes. It would be suicide for us to abandon the only really powerful weapon in our armoury and to revert to those evil days—for I must call them evil—before 1932, when this country, which was no longer the world's dominant manufacturer, but possessed the most sought after world market and was obliged to receive all the world's dumped surpluses, while we stood helplessly because we had no control whatever over our imports.

Mr. HENDERSON STEWART (Liberal National, East Fife): In the new world into which we shall enter when the war ends it is obvious to the blindest people that the British Commonwealth of Nations and the Empire probably offers us as a family of nations, the best market of all for our goods. Therefore, it is in the primary interests of our working people that we forge now, and maintain after the war, the closest possible ties with other parts of the Empire.

Mr. B. RILEY (Labour, Dewsbury): We are liable to forget that we and the Allied Governments have pledged ourselves over and over again, in declarations, on what we regard as fundamental, if peace and prosperity are to be secured. We have said we shall further the employment by all States, great and small, victor and vanquished, on equal terms, of the raw materials of the world which are needed for their economic prosperity. The danger I want to warn the House against is the danger of overlooking that generally accepted objective in the post-war world that we are looking forward to. The second danger I see is that of lapsing into the old policy of the Ottawa preferential trade agreements. There may be a tendency to adopt the same methods that we adopted in the early thirties, of preferences in one part of the world and exclusion for others. If that is the case, we shall be ignoring the lesson of the war.

Mr. A. C. M. SPEARMAN (Conservative, Scarborough and Whitby): I advocate our doing everything possible to co-operate with the United States, first of all because we have promised to do so in Article 7 of the agreements for Lease-Lend and Mutual Aid. We have to give the United States every possible opportunity for co-operation with us. Anything less than this would make a very bad impression throughout the Dominions, and would strengthen the isolationists in America, who would claim that we have proved the correctness of what they had been saying for years. Before 1932 there were many people who thought that Imperial preference would solve all our difficulties. I think the results have shown that that hope was not justified.

Sir EDWARD GRIGG (Conservative, Altrincham): It rests with the Government to leave no room whatever for doubt about where we stand on this question of using our own market for the benefit of the British family first. Do not let us sacrifice our liberty, which is vitally important to us, to the Commonwealth, to India, and to the Colonial Empire, for nothing better than words in a charter which are of no practical effect.

LT.-COL. ELLIOTT (Conservative, Kelvingrove): The whole course of the future will be one in which organisation, in the years immediately after the war, is bound to play a much larger part than it did in the years of that uncontrolled scramble which we dignified by the name of Free Trade. It did not lead either at home or abroad to such beautiful results that we should erect it into one of the Beatitudes of the Scriptures.

Mr. ARTHUR GREENWOOD (Labour, Wakefield): We have heard talk in the past about protection and tariffs, preferences and so on. I do not believe that these terms, protection, tariff reform, Ottawa and preferences have any meaning whatever in the middle of the 20th century. I think that as a great economic unit, with enormous possibilities, the British Empire must invent a new terminology. I do not believe the real development of the Empire can come to us if we think in terms of the old tariff reform formula. We would gladly aid, as far as I am concerned, in every kind of way, the development of all our potential economic resources in the Empire. I should not like to say any word which might be used in the United States against our honest and sincere intentions, but Britain and her brotherhood of Allies in the Commonwealth can never become the hewers of wood and drawers of water for the United States. We cannot become

the vassals of the United States, and I think we are entitled to say so.

Mr. H. DALTON (Labour, Bishop Auckland; President of the Board of Trade): With regard to Imperial Preference, perhaps I might be permitted to recall that one of the first votes I ever gave in this House, as long ago as June, 1925, was in favour of increasing the margin of Imperial Preference. Debate was taking place on a proposal of the Government of that time to reduce the duties upon Empire imports of sugar, dried fruits, wines, spirits and tobacco. Considerable debate developed between Mr. Thomas and Mr. Snowden, as he then was, the former holding that to reduce these duties would be, incidentally, to reduce the cost of living. Mr. Snowden held that it would not be to promote Free Trade as he thought he understood it. Following a discussion at a Labour Party meeting it was decided to allow a free vote in the House. A minority of us voted in favour of extending the margin of Preference, and with the aid of a few Conservatives we managed it. I make this little historical excursion in order that it may not be thought that the Labour Party in the past has taken an unreasonable or pedantically uniform view, in opposition to Imperial Preference. As time has gone on, even those who were opposed to Imperial Preference have been converted to its great practical value. With regard to trade with the rest of the world, this also must be greatly expanded if we are to get the exports and imports which are necessary. Quite clearly, the United States market is an enormous one, and it is much to our interest to have access to it, particularly if this can be negotiated on rather better terms than we used to have before the war.

Mr. H. J. S. WOODBURN (Conservative, Renfrew W.): The speech of the hon. Member for Seaham showed not only his patriotism but a good deal of courage, since he could never have felt perfectly certain that all the opinions which he expressed were quite so acceptable to his political supporters as they obviously were to his opponents on this side of the House, including the President of the Board of Trade, who proved, beyond the possibility of doubt, that he voted for Imperial Preference in 1925. This is a subject on which we would all do well to revise many of the opinions we have expressed in the past. There is one speech on Imperial Preference of the Prime Minister's which I have most often had quoted against me. "Sentiment by the bucketful; patriotism by the Imperial pint; the open door at the Exchequer; the open door at the public-house."

The PRIME MINISTER (Mr. Churchill): They might quote me right, anyway.*

Mr. WOODBURN: If you want to have a full economic partnership with the other members of our Commonwealth, you cannot achieve that partnership under a system of unrestricted individualism either in commerce or finance. Neither Free Trade in goods nor Free Trade in money will do for us, or for our Empire in the world of to-morrow. I think it is generally recognised that our economic circumstances after the war may oblige us, for a very long time, to restrict the total volume of our imports and to give priority to those things which we most require but which we cannot produce at home.

Sir FRANK HARRIS (Liberal, Bethnal Green): I have never been repentant about

* See the quotations we give in another column.—EDITOR L. & L.

my attitude to the Ottawa Agreement, but the Ottawa Agreement is there, and obviously, in 1944, after we have been comrades in arms, we should not throw over the principles of that Agreement without discussion or mutual consent.

We cannot leave out of the picture the United States. In this Debate the Lend-Lease Agreement has loomed rather large. On 23rd February, 1942, we signed an agreement with the United States arising out of a policy of Lend-Lease. Clause 7 of that Agreement has been mentioned on several occasions, and I think it is one which should be quoted in full, because there has been some misunderstanding about it. Clause 7 says: "In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under Lease-Lend Act, the terms and conditions shall be such as not to burden commerce between the two countries but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To this end they shall include provisions for agreed action by the United States of America and the United Kingdom open to participation of all other countries of like mind directed to the expansion by appropriate international and domestic measures of production, employment and the exchange of goods which are the material foundation of the liberty and welfare of all peoples."

These are the important words: "to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers; and in general to the attainment of all the economic objectives set forth in the Atlantic Charter."

When we signed the Ottawa Agreement, we thought it was a purely domestic matter not affecting the economic and political problems of other nations. It was interpreted very differently on the continent of Europe and in America. Many felt that if the great British Commonwealth was to be closed to their trade they must devise their own economic policy. It may be that Hitler would have achieved power anyhow, but it was a great stimulus to his rise, this gesture of ours at Ottawa which seemed to point to the closing of one of the greatest markets in the world for their goods. We do not want the public to feel that we have learned no lessons by the happenings of the last 20 years. We do not want it to be suggested that the British Commonwealth is going to be a closed Empire, that the world is going to be divided into economic groups. This is the way to lead to a third great war.

Colonel FOXONBY (Conservative, Sevenoaks): ... After all, Russia makes its trade arrangements for its own benefit. America does the same, and Portugal has built up its empire during the last few years entirely by preferential arrangements. Before the war, in Morocco, the French barriers were so high that no outsider could look over them. Why we should be in the least diffident about introducing and continuing the same system I cannot understand.

Major STUBBOLME (Conservative, Tavistock): There is nothing immoral or "dog-in-the-manger" about Imperial Preference. The United States, Russia and the French Empire have used it 100 per cent. Our moderate preference guarantees a stable market for the countries of the British Commonwealth, and it is of vital importance not only to this country, but even more so to the other Members of the Commonwealth.

Mr. F. J. BELLENGER (Labour, Bassetlaw): It is impossible for us to engage

in trade with the Dominions on the basis of unrestricted private enterprise, as we did in the 19th century. I would say to hon. Members on the Liberal benches that it is impossible to hope that we are ever going to give them back Free Trade, which only made private enterprise possible in the 19th century. Free Trade as we knew it in the 19th century has gone, and with it many of the features of Free Trade—private enterprise. Such matters as dealing with imports by import boards have to be considered. We must have some Government regulation of trade, and that means, as I understand it, that we shall have negotiations between the Governments of this country and the Dominions in order to settle the volume of imports to be brought into this country. Can we, even from the Dominions, import just what food importers in this country like to import? If we are to look after and to encourage the agricultural industry in this country, we have to restrict some of the food imports coming from our own Dominions.

The PRIME MINISTER (Mr. Churchill): I have no intention of passing my remaining years in explaining or withdrawing anything I have said in the past, still less in apologising for it; but what I am concerned to do is to show to the House, and also to Members of my own Party, how strictly I have, during my stewardship, safeguarded the structure of Imperial Preference, which has arisen out of the controversies and achievements of the last 40 years, against any danger of being swept away in the tumult of this war. At my first meeting with the President of

the United States, at Argenta in Newfoundland, at the time of the so-called "Atlantic Charter," I asked for the insertion of the following words which can be read in that document: "With due respect for their existing obligations." Those are the limiting words, and they were inserted for the express purpose of retaining in the House of Commons, and the Dominion Parliaments, the fullest possible rights and liberties over the question of Imperial Preference. Again, in February, 1942, I did not agree to Article 7 of the Mutual Aid Agreement without having previously obtained from the President a definite assurance that we were no more committed to the abolition of Imperial Preference than the American Government were committed to the abolition of their high protective tariffs. The discussions as to how a greater volume of trade and a more harmonious flow of trade can be created in the immediate post-war years in agreement, leaves us in every respect, so far as action is concerned, perfectly free. I am convinced myself that there should be a careful, searching, far-ranging discussion on the economics of the post-war world, and a sincere attempt made to reconcile conflicting interests wherever possible. There must be a wholehearted endeavour, begun in good time, to promote the greatest interchange of goods and services between the various communities of the world, and to strive for that process of betterment of standards of life in every country without which expanding markets are impossible, and without which world prosperity is a dream which might easily turn into a nightmare.

LIBERAL LIBERTY LEAGUE

The economic and political freedom of Liberalism is the keynote of the nationwide appeal that has been despatched to individual Liberals and constituency associations. Three leaflets were enclosed: "The Liberal Assembly and the Ulswat Report"; extracts from the many letters welcoming the formation of the League; and "Statements on Liberal Policy," quoting declarations of Sir Henry Campbell-Bannerman, Richard Cobden, Sir Edward Grey, Winston Churchill, Walter Lippmann, John Stuart Mill, Lord Oxford and Asquith, Sir Robert Peel, Anti-Corn Law League, Lionel Robbins, Lord Samuel, Adam Smith, Herbert Spencer and Alexander Ure, Lord Strathclyde; copies may be had on application to the League's office, 4 Great Smith Street, S.W. 1.

The Liberal Assembly, which should have been held 18th to 20th May, has been postponed with no date given. The League submitted a substantive resolution of its own for the agenda, and amendments to two of the official resolutions. [The text of the League's resolution appears in another column.—EDROR L. & L.]

A public meeting was held in the Houldsworth Hall, Manchester, on 28th April, presided over by Councillor Sydney Needoff, B.A. (Comm.). Other speakers were Ashley Mitchell (Huddersfield), Douglas E. Moore (Sheffield) and A. W. Madsen (London); also in the Exchange Hotel, Liverpool, on 2nd May, when Councillor W. H. Ledsom (Secretary of the Liverpool Liberal Federation) presided, supported by Messrs. A. Mitchell and A. W. Madsen. At both these meetings speakers stressed the point that the League had been formed to uphold the conception of a free economy, that the way to better social conditions is not through superimposed controls on the part of the Government or by putting industry under the care or assistance or discipline of the State; the true way is by abolition of

monopoly and special privilege, opening of British ports to the commerce of the world, irrespective of what other countries may do; it is to liberate production and trade and to offer full scope to private enterprise so emancipated; and, most fundamental, to establish a free land system giving every encouragement to occupation and use and securing for the community, as its just revenue, the value of land (apart from building and improvements) that rightfully belongs to it.

A conference on Land and Housing, organised by the Home Counties Liberal Federation on Saturday, 29th April, was attended by members of the League, when Mr. S. Martin, press secretary, was one of the panel of a "Brains Trust" which concluded the proceedings.

Most Liberals have known that the words "with due respect for existing obligations," in Article IV of the Atlantic Charter, meant a qualification of the ideal of Free Trade which the article gives as the aim of the U.S.A. and Great Britain; therefore, Mr. Churchill's belated admission that freedom to continue Imperial Preference was unaffected did not come as a surprise, but the weak opposition put up by the Liberal representatives in the House has caused much despondency amongst the rank and file in the country. The action that should be taken to present a more uncompromising front will be considered at the next executive meeting of the League on 15th June. One thing is certain: a "fighting front" must be presented at the forthcoming Assembly Conference of the Liberal Party.

Mr. C. GENDALL HAWKINS, recently adopted as prospective Liberal candidate for the Chislehurst Division of Kent, said in his introductory address that he supported the Liberal principle of the Taxation of Land values, that the Ulswat proposals were a dubious compromise, and as such could not be tolerated, and he was 100 per cent. for the League.

VARIOUS ACTIVITIES

UNITED COMMITTEE

What is the best or most effective work that may be done at this time besides the holding of meetings and study circles? An answer is to disseminate the literature of the movement as widely as possible. That can be done by hand or through the post. A large assortment of leaflets is available. They go out in a steady stream to well-selected or well-recommended addresses. A recent postage, for example, was that to the secretaries of all the local Labour Parties throughout the country and to the secretaries of the N.U.R., choosing for them the leaflets: *What is Full Employment?* *The Labour Party and the Uthwatt Report—Is Land Nationalisation the Remedy?* *Agricultural Policies—Labour, Liberal and Conservative.*

General catalogue of books and pamphlets, together with a complete set of leaflets, will be sent on receipt of 3d. stamps. Readers who can undertake a distribution should select the leaflet or leaflets (best suited for their purpose), which may be had at the rate of 3s. per 100. And can you help our postal campaign by providing names and addresses of persons likely to be interested and who can be informed about any activities in their areas? That will be a particularly helpful service, for many new subscribers to *Land & Liberty* have been obtained just in that way.

LONDON

The annual business meeting of the English League for the Taxation of Land Values took place at the rooms, 4 Great Smith Street, S.W.1, on 24th May. After consideration of reports and the election of officers for the ensuing year, resolution moved by Mr. C. W. Loveridge was adopted in the following terms:—

"That the policy of 'food, work and homes' can only be achieved by removing all obstacles to the production of wealth and to the exchange of wealth produced. To this end it is imperative that the land with all its potentialities for production, whether in agriculture or as a source of raw materials or as sites for homes and commercial and industrial undertakings, shall be put to its best economic use, and that the goods which are produced by our labour from land may be exchanged without penalty or interference for those we need from other countries. To ensure this it is essential that taxes upon the production and exchange of wealth shall be abolished, and that the value of land shall be taken for public revenue for the benefit of the community which has created that value, in order that those who own land shall be deterred from holding it idle, and those who use land shall not be penalised by higher taxation for making better use of it."

The Report of the Executive for the past year, together with the Financial Statement of the League, is in print and copies may be had on application.

Mr. Verinder addressed a Discussion Society, in connection with a church at Acton Green, on 3rd May. The subject was Bible Land Laws. An attentive hearing was followed by an interesting discussion and an invitation to pay another visit. All the copies of *My Neighbour's Landmark* that he had with him were promptly sold.

On 18th May the Battersea "Parliament" adopted a resolution moved by Mr. W. E. Fox, member of the English League Executive, that "This House declares that true Socialism is that state of society wherein (a) the rent of land is collected for public revenue; (b) there are no taxes or tariffs whatsoever; (c) all monopoly undertakings are run by the State, without profit; (d) education and hospitals are State Services." An address by Mr. Fox to the Clapham Labour Party on 10th May on the Housing Problem has a half-column report in the *Clapham Observer*.

YORKSHIRE

The Executive of the Yorkshire and Northern Land Values League met on 27th April and were fortunate in having the offer of help three days a week for six months from Mr. F. Bentley, who until recently was serving in the Army as Chaplain (Congregational). Mr. Bentley, who is a native of Bradford, has spent several years in Australia and Canada. He read *Progress and Poverty* years ago, but only got in contact with the movement last year through finding *Land & Liberty* on King's Cross Station bookstall.

The Annual Meeting of the League will be held at the Church House, North Parade, Bradford, on Saturday, 10th June, beginning at 3 p.m. It will be followed by a public meeting, the speakers including Mr. Ashley Mitchell, Mr. Pryce V. Oliver, Mr. A. W. Madsen and Mrs. F. G. Sumner.

Mr. Mitchell attended the annual meeting on 10th May of the Wakefield Liberal Association and spoke. One of the members during the subsequent discussion paid the compliment that the speech reminded him of the "Liberalism" they used to hear."

MANCHESTER

Brains Trusts respectively under the auspices of the Manchester Land Values League and the Henry George School of Social Science were held in Manchester and Whalley on 28th April and 1st May. The replies given to the numerous questions discussed fully the economics of Free Trade and Land Value Taxation and the Henry George social philosophy in its widest bearings. Participants at one or other or at both these meetings included Dr. S. Vere Pearson, Mrs. D. Catterall and Councillor S. Needoff and Messrs. Ashley Mitchell, D. J. J. Owen, A. H. Weller and A. W. Madsen. The audiences were keenly interested, showing that the "brains trust" is not only an instructive but also an entertaining way of holding a public meeting. Proceedings were reported in the *Manchester Guardian* and the *Clitheroe Advertiser*. At Whalley there were visitors from Manchester, Liverpool, Preston, Rish-

ton, Darwen and Blackburn, besides residents in the immediate district.

Holding its annual business meeting on 28th April, in the Houldsworth Hall, the Manchester Land Values League adopted resolution, moved by Mr. D. Catterall, expressing disappointment at the interim report of the Land Values Special Committee of the Manchester City Council with its acceptance of the impracticable proposals of the Uthwatt Report; and looking forward to the early issue of the Committee's final

YOUR SUPPORT

The United Committee for the Taxation of Land Values Limited (publishers of this Journal), the International Union and the Leagues listed below are maintained by the voluntary support of those who believe in and would seek to advance the principle and policy which the Committee, the Union and the Leagues advocate: Land Value Taxation and Free Trade in its fulness, with removal of the tax burdens and abolition of all monopolies and special privileges that interfere with the production of wealth and prevent its just distribution. An earnest appeal is made for your support. Donations supplementary to postal subscription for "Land & Liberty" (2s. yearly, or 7s. cents for U.S.A. and Canada) will be allocated as desired among any of the associations named.

Cheques may be made payable to W. R. Lester, 4 Great Smith Street, London, S.W.1. Friends in the U.S.A. and Canada can avail themselves of the facilities kindly provided by the Robert Schalkenbach Foundation, 32 East 29th Street, New York, who will receive and forward subscriptions named for "Land & Liberty." In such case, cheques, etc., should be made payable to the Robert Schalkenbach Foundation.

ADDRESSES

At 4 Great Smith Street, London S.W.1. Telephone Abbey 6665: United Committee for the Taxation of Land Values Ltd., W. R. Lester (Treasurer), A. W. Madsen (Secretary), F. C. R. Douglas (Assistant Secretary); Henry George Foundation (Publishing Department); International Union for Land Value Taxation and Free Trade, Ashley Mitchell (Treasurer); English League, Fredk. Verinder (Secretary); Henry George School of Social Science. Yorkshire League, C. H. Jones and Percy Roberts (Hon. Secretaries), F. Bentley (Organising Secretary), 129 Skipton Road, Keighley; Manchester League, A. H. Weller (Secretary) The Dingle, Chester Road, Hazel Grove, nr. Manchester; Henry George Freedom League, Wm. Reid (Secretary) 9 Woodside Crescent, Glasgow G3 (Phone Douglas 5599); Welsh League, E. A. Davies (Hon. Sec.) 27 Park Place, Cardiff (Phone 1563) and I. T. Rees (Hon. Organizing Sec.), 2 Southey Street, Cardiff; Midland League, John Bush (President) 20 Cannon Street, Birmingham, 2; Liverpool League, Miss N. McGovern (Hon. Correspondence Sec.) 74 Osmaston Road, Prenton, Birkenhead; Crosby Henry George Fellowship, C. C. Paton (Hon. Sec.) 11 Tudor Road, Liverpool, 23; Portsmouth League, H. R. Lee (Hon. Sec.) 13 Lawrence Road, Southsea; Derbyshire League, C. Musson (Hon. Sec.) 29 Denby Lane, Codnor; Edinburgh League, A. Davis (Acting Hon. Sec.) 8 Kirkhill Terrace, Edinburgh, 9; Castle Douglas Henry George Fellowship, Mrs. Margaret McCall 88 King Street, Castle Douglas, Kirkcubrightshire; Highland League, I. Mackenzie (Hon. Sec.) Queensgate Arcade, Inverness.

report, in which it proposes to include its findings on the Rating of Land Values—the system now in operation in many parts of the world and recently promoted by the London County Council in its Parliamentary Bill as a more just and scientific method of local rating, restoring as it does to the community some of the values created by the community. The resolution was sent to the Chairman of the Land Values Special Committee and to the Press. Other business included adoption of the secretary's and the treasurer's reports. Officers elected for the ensuing year are: Dr. S. Vere Pearson, President; Mrs. D. Catterall, Mrs. F. G. Sumner and Mr. A. Brown, Vice-Presidents; Mr. D. J. J. Owen, Hon. Treasurer; Miss B. Noble, Chairman of Committee; all the members of the Committee were re-elected.

Mr. A. Brown, Warrington, addressed a meeting of the Hale Labour Party on 9th May, taking "Taxation and Rating" as his subject. He said it was open to the party to become affiliated with the Manchester Land Values League, following the example of the divisional Labour Party and two local parties that were already so affiliated.

LIVERPOOL

The *Liverpool Post* reported the very successful and well-attended meeting held in the Exchange Hotel, 1st May, under the auspices of the Liverpool Land Values League and the Liverpool Institute of Public Speaking. Addresses were given by Councillor S. Needoff and Mr. A. W. Madsen, followed by discussion. Unfortunately Mr. G. L. Reakes, M.P., announced as presiding, could not attend. The chair was taken by Mr. Walter Ridley, of the Institute of Public Speaking. The ability and the distinction with which he conducted the meeting received deserved compliment, the which we should like to endorse by commending to budding speakers the Institute that obviously gives such excellent training.

At this meeting there was a gratifying enrolment of new members of the Land Values League and of students for the economic classes in Great Crosby and Liverpool. Already a new study circle has been formed in the West Derby district.

GLASGOW

The Henry George Freedom League, Glasgow, held its annual meeting at its rooms, 9 Woodside Crescent, C.S., on 26th April. Mr. John Wilson, in the unavoidable absence of the Chairman, Mr. A. J. Mace, presided. In his opening remarks Mr. Wilson referred to the great loss the Scottish movement had sustained in the death of Ex-Bailie Peter Burt, the late hon. President of the League, to whose outstanding qualities and generous support over so many years he paid a high tribute. Saying that rearrangements would have to be made by the Trustees and some financial adjustments carried out, Mr. Wilson suggested that the business of the annual meeting should not be concluded, but that a further general meeting be called at an early date; and that

was agreed. Reports of the secretary on the year's work and on the financial statement were adopted. For the ensuing year office-bearers were elected subject to consent by those not in attendance: Mr. J. C. Geddes was elected hon. President; Mr. A. J. Mace by agreement resumed the office of hon. Treasurer; the office of President which he vacated was filled by Mr. R. C. McGhee. All the former Vice-Presidents and committee were re-elected, and Mr. D. McCracken was elected an additional Vice-President.

On the day preceding the meeting, Mr. Douglas MacDonald, late President of the League, had been formally elected Chairman of the Scottish Liberal Federation. That should indicate he will guide Scottish Liberals so far as the fundamentals of Liberalism are concerned.

CASTLE DOUGLAS

The Henry George Fellowship meets at 19 King Street on the first Sunday of month at 7 p.m. On 7th May Mrs. M. McCall opened discussion on "Land Value Taxation versus Land Nationalization." Mr. W. Bolton presiding. On 4th June Mr. R. J. Maxwell will open discussion on "Is unemployment a natural or an artificially produced phenomenon?" and Mr. A. Clark will preside.

CORRESPONDENCE

The *Catholic Herald*, 28th April, published a more than column long letter from Mr. John W. Regan clarifying the issues raised by other correspondents in the discussion on the Popes and Socialism. "It may be useful," he writes, "to recall some contemporary words on the subject by Henry George in his *Condition of Labour*, which he described as 'an open letter to Pope Leo XIII.,' after studying the famous Encyclical of that Pontiff." There follows a long and very apposite extract from the book. Cuttings of a number of other letters have been received, including A. J. Mace in the *Clydebank Press* and the *Record*, G. H. Winder in the *Western Mail*, D. J. J. Owen in the *Manchester Guardian*, Mrs. F. G. Sumner in the *Cliheroe Advertiser*, "J. M." in the *Ross-shire Journal*, H. Feilding in the *Southport Visitor*, S. Martin in the *Croydon Times* and "Audax" in the *Yorkshire Observer*.

The *Builder*, 12th May, had a letter by Mr. A. C. Wilkinson, Chartered Surveyor, Liverpool. Mr. Ashley Mitchell has been engaged in a considerable correspondence in the *Huddersfield Examiner*. "Merchant" wrote a letter in the *Western Mail* quoting Henry George's *Social Problems*, following up the report of the Cardiff Religion and Life week at which a paper was presented by Dr. D. G. Taylor, the president of the Welsh Land Values League.

REQUEST FOR CUTTINGS

Readers can give valuable assistance by sending us cuttings of any matter they see in their daily or weekly newspapers which they think deserves notice or comment. Make this a regular service, posting your collection of cuttings say once a week. Mark anything of

particular importance, and do not overlook to write on each cutting the title and date of the paper from which it is taken.

SIXTY YEARS A SECRETARY

Mr. Fredk. Verinder, of Elm Park Avenue, Tottenham, formerly an assistant master in the Tottenham Grammar School, will be keeping, on Sunday next, the sixtieth anniversary of his election, on 7th May, 1884, as Secretary of the English League for the Taxation of Land Values, an office which he still holds in his 86th year. From 1877 till 1903 he was Hon. Secretary of the Guild of St. Matthew, of which he was a founder-member. The Guild, under the leadership of the late Rev. Stewart Headlam, was largely responsible for the revival of Churchmen's interest in Social Reform. Mr. Verinder was a personal friend of Henry George, the famous author of *Progress and Poverty*, and has himself written many books, pamphlets and leaflets on the Land Question. His exposition of Old Testament Land Laws under the title of *My Neighbour's Landmark*, has been honoured by the approval of the Archbishop of Canterbury, the Chief Rabbi and many other religious leaders, and is now in its fourth edition. It is published by the Henry George Foundation, 4 Great Smith Street, S.W.1.—*Tottenham Weekly Herald*, 5th May.

IN AN ARMY JOURNAL

Cpl. G. A. MacDonald, whose correspondence with Mr. E. J. McManus we recently reported, had the leading article in *The Oak*, the divisional news sheet of the 46th Division Sub Park, R.A.O.C., Mediterranean Forces, which is printed under field conditions with a circulation of more than 2,400. Cpl. MacDonald commented on contributions by Dvr. Kramer to the "Political Forum," and in his reply wrote:—

"In face of the fact that poverty is universal amongst all the nations of the world, from richest to poorest, some common cause is indicated. . . . And the root cause? The answer is simple and easily proven—to those who preserve an open mind, susceptible to the impact of a new idea, but not I think to those who believe that Britain's greatness is dependent more upon the financiers than upon the men who go out and do the job. The source of all wealth is the land—who owns the land, or is able to exercise a monopoly upon its products, owns all wealth. And because the Beveridge plan is naturally enough based upon the economic conceptions, broadly speaking, of the government that sponsors it, it does not touch the root of our economic troubles; it merely tinkers with the results of poverty, not with its cause. . . . Henry George determined the cause of poverty over half a century ago (footnote describing the book *Progress and Poverty*, Ed., L. & L.) and forecast the inevitable results of the rejection of self-evident facts by our legislature. While we still allow land and its products to be monopolised by the few, in circumstances such as Dvr. Kramer indicates, the coldly logical results will continue to arise."