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WILL ROOSEVELT TAKE THE LEAD?

DURING HIS visit to Paris, Mr Sumner Welles handed to M. Paul Reynaud, then Finance Minister and now Prime Minister of France, a memorandum on "the bases of the foreign economic policy of the United States" which reads as follows:

1. Healthy international commercial relations are the indispensable foundation of well-being as well as of durable peace between the nations. International commerce can only effectively fulfil this function if it enables each nation to have access to the resources of the entire world and not merely to those confined within its own frontiers, and to find outlets for the excess of its production on the basis of treatment without discrimination.

2. International commerce cannot prosper if its current is deviated or obstructed by attempts at exclusive or discriminatory or bilateral agreements. It cannot prosper if its current is held up by the barriers of excessive tariffs, by quantitative limitation or by exchange control. All these barriers are instruments of economic warfare. Recent experience has clearly shown their destructive effects on international commerce in time of peace—and in consequence their depressing effect on the standard of living and the general economic well-being of the nations, as well as their tendency to generate international hostility, animosity and conflict.

3. If at the end of hostilities the world is to be rebuilt on stable and peaceful foundations, eliminating resentment and fear, and opening the way to economic progress, the procedure of international commerce must be reconstituted on a healthy basis. This calls for the gradual elimination of excessive and unreasonable barriers opposing the flow of merchandise beyond the national frontiers; acceptance of the rules of non-discrimination by the application of the most-favoured-nation principle in commercial procedure, and the creation in the field of exchange and

credit of conditions necessary for the multilateral functioning of commercial procedure.

President Roosevelt and Secretary of State, Cordell Hull, in conveying that message through Mr Sumner Welles to the European Governments with whom he has been in contact, have given a lead which it is ardently to be hoped will be followed. Bitter experience has proved the disastrous effects economically and politically of the tariff policy and how they have recoiled upon its perpetrators. The devil himself made sick wants to be well again, as is instanced by the protectionist governments who have welcomed and applauded this part of Mr Welles's mission. On behalf of the French Government, after consulting M. Daladier, M. Reynaud expressed complete acceptance of the principles set forth in the memorandum and said that they formed "part of the principles of liberty for which the Allies were fighting."

That is all very well, but what are the signs of these principles finding application? Neither France nor Great Britain, even between themselves, has shown the least intention meanwhile of reducing the tariffs and the trade obstructions which are so roundly condemned by their spokesmen. Why wait till peace is proclaimed? Even now an important contribution could be made to the removal of these causes of war and so shorten the war itself. The same thoughts apply to the United States and again the question arises, who will take the initiative? The proclamations are a call to sanity and salvation but wanted are the workmen who will set about demolishing those tariff walls which despite all good intentions eloquently expressed have nowhere been reduced by a single inch. Lasting peace will only be secured when they are removed and with them all the law-made privileges, barring access to natural resources or holding them to private ransom, which are responsible for the present-day most unjust distribution of wealth and opportunity.