

WHO IS FOR THE ATLANTIC CHARTER?

DISCUSSIONS ON the principles of the Atlantic Charter are proceeding apace as was to be expected. Amongst the critics one of the most surprising is the paper *Peace News* which is edited by Mr Middleton Murry. The pacifist movement has been saying for years that the tariff system, especially since the fateful Ottawa treaties, is a cause of the rise of Nazism and the war itself. The Atlantic agreement foreshadows in a tentative way the return to freer trade; yet the leading pacifist journal thinks it is all a mistake.

The comments in *Peace News* were aroused by a reference to the Charter in *The Times Trade Supplement* for October which is itself noteworthy. In a paragraph on Germany's industries (p. 18) *The Times* says: "In the last annual report of the I. G. Farben-Industrie reference is made to the large proportion of its profit which is derived from "ersatz" industries. Thus it has a very large vested interest in Hitler's policy of self-sufficiency, and probably no German concern can be more seriously affected by the implications of the Roosevelt-Churchill charter, which by restoring international trade, will put uneconomic industries out of business." One aspect of the Free Trade case could not be more neatly put than in this comment. The industries that spring up in all countries because of protection are "ersatz" industries; they are "the manufacture of effective substitutes for previously imported commodities," as for instance, the I.G.F.B. production of Buna, or synthetic rubber. Such substitute industry, as *The Times* writer recognizes, is uneconomic in Germany and elsewhere.

This, however, is not seen by *Peace News*, which, in its editorial of 3rd October, under the heading "ersatz," asks regarding *The Times* expression: "What does 'uneconomic' mean here? It means, incapable of making a profit when exposed to the full blast of free international competition. British agriculture, to take one example, is such an uneconomic industry. And, of course, if the Atlantic Charter really did mean the restoration of international free-trade it would also mean that British agriculture would be destroyed all over again." This is an admission that British agriculture has to be subsidised and protected at the expense of the taxpayer and the consumer, which is doubly uneconomic, for the money unjustly taken from taxpayer and consumer does the farmer no good, as any profits he makes find their way into the landowner's rent account.

Though *Peace News* admits this rotten economy, it wishes it to be preserved rather than that it should be replaced by sound economy through Free Trade. "But of course," the article goes on, "the Atlantic Charter does not mean the restoration of international free-trade. The Americas, the Dominions, are committed as deeply as Germany itself to a policy of high protection. How many 'uneconomic' industries in the U.S.A. would be put out of business if British or Japanese manufactured goods had free entry there!" Then the same article indulges in some "ersatz" logic by stating: "The pretence of international free-trade is a pure humbug. Germany is no more wicked in making her own artificial rubber than we are in trying to make decent field-glasses, or developing the manufacture of petrol from coal."

That word "wicked" is skilful; it turns the readers' minds away from the wickedness of the system that creates a "substitute" standard of life, and suggests that the wickedness is in the victims. But there is more to follow; for we read: "The one condition

of genuine international free-trade is the economic unity of the world." This is putting the cart before the horse, and it is explained by what follows: "Only in a world-federation, assured of equal justice and stable peace, can the component nations allow themselves to be dependent for vital necessities upon the rest of the world. Moreover, they must be sure of being able to get them quite irrespective of whether they can 'pay for them' or not. The idea of universal free-trade at a universal profit is an illogical and preposterous idea—dead as a door nail." According to this view nations will get their vital needs from other nations whether they pay for them or not, and this only when there is equal justice. Such economics would be neither equal nor just. But protectionists, isolationists in every country, and the armaments industries will welcome such arguments. They spell more tariffs, a lower standard of living, international friction, and the building up of impregnable monopolies, all upon the basis of the age-long monopoly of land, the perpetuation of which is the chief of the evils of the tariff system.

Having granted there is an "ideal" in the Free Trade cause, described as "universal free-trade at a universal profit," the ideal is considered so remote that "it will, alas, take us generations, perhaps centuries, to reach this condition." And instead of wanting to speed its coming, the writer states: "In the meanwhile the best the world can do is to create, by fair means or foul, larger economic units, wherein the standard of life can be raised." The words we italicise are extraordinary expressions in a journal devoted to the ways and arts of peace.

It is refreshing to turn to other recent comments on the Atlantic Charter. One illuminating article was that of the Financial Editor of the *Manchester Guardian*, 15th August. He pointed out that "the part of the Anglo-American declaration referring to trade is carefully guarded. Due respect for existing obligations may, for example, cover a very real reluctance to relax the tariffs and quotas by which most countries and groups of countries had contrived before the war to secure certain privileges. More particularly," he went on, "the phrase might serve to exempt from reform the United States import tariff and the Ottawa preferences for Empire trade. If that were really meant, there would be little sense in promising all states access on equal terms to the trade and raw materials of the world." This was an early recognition of the chief difficulty that will stand in the way of the success of the Charter, that is, the existence of vested interests in tariffs.

The same writer proceeded to discuss the position of the Axis countries with regard to these tariffs. "It is," he wrote, "no doubt unfortunate that the old Axis term 'access to raw materials' has been loosely retained. There has never been any difficulty about access to raw materials for all who could pay for them." This reminds us of the similar argument of defenders of private landownership, that there is no land monopoly as anyone can have access to land who can pay for it. The above writer instances large shipments and imports to Germany of copper, rubber, and other materials right up to the start of the war, as evidence of access. But he also admits the vital point: "What was wrong was the difficulty of paying for raw materials by exports." This, of course, is just where tariffs prevent access by excluding exports from the purchasing country and thus making impossible the completion of the transaction. The writer quoted sums up the position: "The key

to post-war trade is the readiness of the United States to open its market to greater imports."

The present writer, in a letter, parts of which were printed in the *Manchester Guardian*, 19th August, pointed out that: "this country itself, and the Dominions, will also have to be ready to accept greater imports if world trade and world peace are to be settled." So far as Great Britain is concerned we cannot forget that the Ottawa tariff system adopted after the 1931 General Election followed the abandonment of the taxation of land values which had been inaugurated by Snowden in his Budget and which was repealed without any reference to the country. And even if the principle of Point 4 of the Charter is carried against the pressure of trading and commercial interests who benefit by tariffs, the problem will remain of finding a fresh source of revenue to replace the import duties. This can only be done by taxing the land value fund, the only source of revenue so far untaxed.

The qualifying phrase in Point 4 of the Agreement was referred to again at the important gathering of the Allied Governments which met in London to ratify the Atlantic Charter. The Foreign Minister of the Netherlands, Dr van Kleffens, stated: "Existing obligations should not be perpetuated, even as exceptions, when it is clear that their continued operation would seriously impair or diminish the beneficial effect which is to accrue to all from the application of the general rule." After this warning, which was the official view of his Government, Dr van Kleffens went on: "In our present world, which is only the morrow of yesterday's world with its nefarious autarkic tendencies—the very opposite of the spirit expressed in the Atlantic Charter—we shall all have to do away, to some considerable extent, with measures designed to protect existing economic units. Since in the economic field protection engenders protection, there should not be left in being, in our opinion, important exceptions to the general rule of free access to trade and raw materials on the basis of equal opportunities for all." (*Daily Telegraph*, 25th September.)

Referring to this speech the same day, the *Manchester Guardian* said: "So unanimous was the mood of the conference that it gave one a mild shock of surprise to hear the Dutch Foreign Minister give his warning. . . . It was perhaps no bad thing that he should remind us that this was a conference, not merely a meeting of shareholders to pass the directors' report without discussion."

On the same day as the above references there appeared in the *Listener*, the organ of the B.B.C., the report of the broadcast speech of Professor Allan Ferguson regarding the meeting in London of the British Association, in the course of which he said: "The world is a unity—whether we like it or not, that is a fact—the nation, the Continent even, cannot now be considered a self-sufficient entity and man must school himself to this outlook or perish." After referring to the wonders of inter-communication in a way that recalls the opening pages of *Progress and Poverty* the Professor continued: "No less than thirty countries contributed to send us food (in pre-war normal times), and the seasons were abolished; there was fresh fruit on the coster's barrow all the year round. On the average we spent, on each day of the year, no less than £750,000 on food brought into this country from abroad. And this, surely, in a world that is not mad, is as it should be. A policy of self-sufficiency spells a policy of poverty."

We have italicised the significant passage because this fact of the importation of foodstuffs into Britain to the tune of three-quarters of a million pounds a

day has usually been cited as a source of danger, and as uneconomical by protectionists, would-be planners, and supporters of land monopoly, and the demand has gone forth for tariffs on imported food, or subsidies on home grown food, or both, in order to keep out food grown abroad. It is therefore like importing fresh air into the discussion to hear such common sense from such an eminent scientist.

According to the *Daily Herald*, 7th October, profits of up to 100 per cent have already been made by speculators in land. Farm land in many districts is now fetching twice, even three or four times, its pre-war price. "A leading London estate agent told me yesterday," says the *Daily Herald* reporter, "that nine out of ten of his enquiries were for farms, country estates and land. Some shipowners are putting money received as compensation for their sunken ships into farm land. Working along and in syndicates they are scouring the countryside buying every acre that seems cheap to them." This shows that somebody can make profits out of British agriculture, though it may not always be the working farmer. But the process is not confined to wartime. It is the normal peacetime process, only less striking. Speculation in land values is seen to be linked with the policy of protective tariffs and is the basic cause of national and international injustices.

The Atlantic "Eight Points" may be considered along with the Ten Points of the Church Leaders, including the Five Points of the Pope, which are still under discussion. We may also recall the ill-fated Fourteen Points of Woodrow Wilson and hope against all past disappointment that these new points will have a better result. What indeed is all this world debate leading towards? All through the debate there stand out as a continuing challenge to new world builders the Two Points of Henry George—Taxation of Land Values and Free Trade. These two are the lowest common measure of any successful reckoning of points for a new and peaceful world order. The Eight Atlantic points are already being submitted to these tests.

D. J. J. O.

BOROUGH OF JARROW

A large number of copies of the Memorandum on Town Planning and Land Values, submitted by the Land Values Group of Members of Parliament, have been circulated to local authorities, which have in many cases asked for additional copies.

The Town Clerk of Jarrow writes:

I am instructed to thank you for the copy of the memorandum which you sent for the information of this Council and to inform you of the resolution passed by the Council after receiving the memorandum. The resolution reads as follows:

"The Town Clerk read a letter from the Secretary of the United Committee for the Taxation of Land Values. RESOLVED that the Council's support be given to the policy of this Committee regarding the taxation of land."

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