A Comment

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Just Enough Unemployment

The term "full employment" as it is applied in various Pamphlets and Statements recently published on the subject, has a special and distinctive meaning opposed to the idea that unemployment as such is to be wholly abolished. As its exponents point out, it must be used with discrimination and on the understanding that to have a certain number of people out of work and competing for jobs is not only inevitable, but is also necessary if the mechanism called "Industry" is to run efficiently. We refer to such publications as the Full Employment pamphlets produced by the Economist and The Times, being reprints of articles that had appeared, and the statement on The Problem of Unemployment issued by Lever Bros. and Unilever Ltd. In these publications and others touching the topic—the Nutlonal Policy for Industry of the 120 Industrialists, the Reconstruction report of the Federation of British Industries, the Employment Policy and Organization After the War issued by the Nutlonal Policy of the faced with arguments that survey not the possibility of a society of free and equal citizens easily earning their living by their own endeavours. There is no thought that undeserved poverty need not be, or that the gross disparity in the possession of wealth and power reduced to the state of having to beg for work if they are to live is taken for granted, and what these counsellors say in the matter has a significance that is worth revealing.

According to the Econom full employment does not total disappearance of the volument it is quite compatible continuance of the stage are 0 a substantial it noted, is spoken of human beings, not of draught animals.

The Unilever documan beings is the universe of the elasticity noted, women we there and it is imperative "for the ty of the national economy" here should be a substantial of mobility of labour. This, be of the compatible with the are c Economist articles, loes not mean the changing t lou STILLY. their

The Uniever document warns against the misconception that full employment in the sense that every worker is employed full time for the whole year is the desideratum to be arrived at; apart from the fact that such a situation is "far from natural" and has "never characterized the periods that were happiest for the working population," it would be impossible to keep

economic life continuously at such a pitch.

both equally injurious as the new thought has it. Stabilization is made a fetish—stabilize conditions of international trade; stabilize agricultural produce and prices; stabilize investment. One scheme that seemed to commend itself to him was to "influence consumer demand by increasing or decreasing taxation," the extension of income tax to a larger proportion of the population increasing the possibilities of that method. Is it proposed to consumers to take purchasing power out of their hands? These theories imply as much. The appointed statisticians would advise the tax-collectors when the time had agricult or mulet "employees," which is to say that the number of 1,500,000 out-of-works is contemplated as the normal or stable state of affairs, being not a problem for solution but a misfortune to assuage. In the speech already cited, Sir William was groping after means for avoiding "cyclical depressions," that is, for flattening out booms and depressions, both equally injurious as the new thought has it. Stabilization is made a fetish—stabilize conditions of interpretational trade. Sir William Be business men at (Times report), se unemployment as 8½ per cent, "employees," v number of 1, assumption that the average rate of unemployment would in future be about \$\frac{1}{2} \tag{1} \tag{1} \tag{2} " consistent with a society as a whole, when the insurance, the normal level of unemployment being 5 per cent of the working population. In his report on Social Insurance and the Allied Services, he said that his Plan was framed on the Buring buying of goods in the market e, to curb the upsetters of stability are endangering the State. adequately unce, the no time 1 Beveridge speaking to t at Leeds on 23rd July t), said that "interval" t as he described it was had arrived t goods in the a healthy condition of le," and could be dealt those unemployment classed ਰ

In The Times pamphlet, one of the contributors not only accepts a margin of unemployment as a permanency, but insists upon its advantages. It is not a mere accidental blemsh in a "private enterprise economy"; it has a definite function to fulfil; it maintains the authority of master over men and (fallacious economics) it preserves the value of money. The absence of the fear of unemployment would cause a constant upward pressure upon wage rates, would complicate the problem of "controlling international trade," would "make hay of the social security programme" (not untrue, because

steady employment for all at good wages would render much of it superfluous, and—worst of all with the sting in the tall—would bring about an "arbitrary redistribution of income" involving relative loss to others, including the rentier class. This implies that the general level of wages not only cannot but must not be raised. There is to be partly-full employment at wages determined by the competition for jobs under fear of unemployment, the "discipline" that is the substitute for the "direct terror" applied in Fascist countries.

Another contributor to The Times pamphlet enters the same lists and treads on shaky ground. He speaks as if wages were a "grant" out of some fund over which others than those who are employed had command, and of a wage increase as something only to be conceded by the employer or the State. He believes that supplements to wages in the shape of social services should bar the way to direct wages increases or are a safer way of benefiting the workers, safer that is for society. Therefore "the balance of advantage seems to be with grants and allowances outside wages—for children, the house-wife, housing and town planning, education, the use of leisure; wage increases enter directly or indirectly into exporting costs; improvements outside wages may be financed from taxes on surphases and from savings." The statement shows how far astruy the writer is from the conception of wages as a share of wealth produced, the share remaining after rent and interest have taken their part, so that wages being just so much of the wealth that is produced can no more be a "cost" than is rent or interest. Moreover, he glosses over the effects of taxation which, if levied on trade and industry, does increase prices and does add to the cost of producion, besides taking from wages the funds dispensed by the State to supplement wages. We have the writer committed to a policy designed to keep wages down, with "social security" as a cushion nicely filted into the framework.

The chorus of the pamphlets and statements is that "mass" unemployment is due to the irregularity of capital investment (we have to use the phrase although we contest its implications), and as that irregularity is the cause of both booms and depressions, it is essential that the investment of capital be

vision or a boom threatens the stability of production. A due equilibrium must be attained. And if indirect control over private enterprise is inadequate, the Government should take direct action by borrowing and spending money upon capital works or turning off the tap of its expenditure as occasion demands. It is all a question of correct finning, it is said. But who can tell when either a boom or a depression likely to be calastrophic is under way? Here the Unilever pamphlet distinguishes itself among its fellows by formulating a guide for the authorities in whose hands the well-being and destiny of industry will reside. It will be the fluctuations of the labour reserve in both numbers and the way it is made up that will be the signal to Government to apply its anti-boom and anti-stum in the numbers of the labour reserve shows itself, the statement goes on, and other phenomena of economic life confirm that a boom is on the way, the Government should check the extension of credit, allow the rate of interest to rise, increase taxation, imposing it even upon capital expenditure.

The key presented to the advocates and builders of the planned economy is to keep count of the unemployed. When the number falls to what is estimated to be a dangerously low level, let the financial, fiscal, restrictive and coercive powers of Government be used to impede activity and throw a sufficient number of men and women out of work—till the count of them gives the all-clear signal for stability. controlled. The Government should use the "powerful means it possesses "either to stimulate or to check the provision of capital, according as a depression or a boom threatens the stability of production. A due equilibrium must be attained. And if indirect control

Is that what it comes to? It seems to be where these arguments drive. If it does not exist, a "safe" margin of unemployment must be arbitrarily produced; and this not merely with the hopeful result of preventing the boom and the subsequent depression, but with the definite objective of giving play to the forces that compel the competition of the unemployed to limit the wages of those in work. A harsh ordinance particularly for those who are not able or are not allowed to get work, but a humane Government softens the blow with its "abolition of want" insurance legislation. The Unilever pamphlet exponded and clucidated this "full gardowners," wells, "full gardowners," well gardowners, "full gardowners," wells, "full gardowners," well gardowners, "full gardowners," gardowners, "full gardowners," gardowners, "full gardowners," g employment policy in greater detail than any of the others. Its coverreprinted a number of newspaper commendations, the Dally Express scoring the hit: "It makes Beveridge work." Industry, the making and supplying of things, actually held responsible for poverty and unemployment, for hard times and the mysteries of the depressions which turn prosperity into destitution! From the wildest assumptions most aslounding propositions follow. Individual liberty and private enter-prise are to be disgraced. An official

statistical bureau is to hold the leading strings to which the business community, manufacturers, merchants, shop-keepers, consumers and working people are to be tied. We have travelled far from the perceptions of everyday life and the testimony of ordinary men. There can be no industry, no habitation, no existence without access to land, and the terms upon which that may be obtained is the most crucial of all questions. The ordinary man is all too aware that rent is the first charge on his home or business, rent and rates and taxes on top, and he measures his earnings by what remains to him after paying for permission to be on the spot. So, too, in fields, factories and workshops where wealth is produced, the more that is taken in rent for the location the less there is left to reward those who produce the wealth. Wages fall as production is compelled to render more and more rent for the ground it occupies, or as an ever-increasing price must be paid for the sites that industry needs and could use. Then come all the phenomena of a trade depression. High-priced land remains as a barrier and obstruction to activities that might take place. The rents of premises, of shops, farms and other occupations are rocketed and stay high. How many do not know from bitter experience that this is what has broken it heir chance and frustrated their hopes of making headway?

Our quarrel with the pamphleteers is that they ignore all this. From false premises and by curious inversion they judge that the "investment of capital" is the way out of the impasse, that depressions are due to the shortage of capital equipment and can be overcome by producing more at that stage. The facts belie it, When men and women are thrown out of work and rendered powerless, so are mines, furnaces, mills, factories, warehouses, ships, plant, machinery and capital of all sorts. Mass unemployment of people is accompanied by mass unemployment of capital. The plentude of dide instruments of production is calling for employment by the labour that has been stood off from them. But the ground floor is occupied by a superior power residing thereon—the land monopoly—which prevents the marriage of labour and capital. Purchasing power, which is nothing but the supply of goods at any point, is not forthcoming, and the demand for goods in exchange for them falls away. One man out of work disengages another; the idle factory leads to the closed shop. A trade depression spreads in exchange for them falls away for the gates to be opened. That is the closed shop. A trade depression spreads in ever-widening circles because valuable land is withheld from use and privilege demands toll for the gates to be opened. That is the essence of the matter, blanketed as it has been sublandered economists. If we probe this attempt at economics, try it was probe this attempt at economics, try it of analyse and clarify it, we see how

question, about the functions of the rent of land in social life, about the speculation in land values which steals from industry its fruits and forces the State to find revenues by methods that restrict production and trade and depress industry still further. It raises suspicions to ask what has conspired towards this silence, what interests are served.

Fortunately we can turn to the simpler Political Economy which refuses to be displaced, speaking the understandele Political Economy which refuses to be displaced, speaking the understandele language that land, labour and capital are the factors in wealth production, and which has its ethic in the distribution of the result. There are many books for earnest men and women to study, and if we specially recommend thenry George's Frogress and Poverty it is because that book is such an outstanding contribution to this teaching. It is at least worth while to discover whether freedom holds the solution, whether equal opportunity to produce and exchange is faithful in its promise of the better social conditions.

iz. WHO OWNS CROSS CREEK

I hab a letter from a friend, saying, an a firm believer in property

I am a firm believer in property rights.

"The statement disturbed me. What is property and who are the legitimate owners?... I thought of the countless generations that had owned land." Of what did that ownership consist? I thought of the great earth, whirling in space. It was here ahead of men and could conceivably be here after them. How should one man say that he 'owned' any piece or parcel of it? If he worked with it, laboured to bring it to fruition it seemed to me that at most he held it in fiet.

"Who owns Cross Creek? The redbirds, I think, more than I.... Houses are individual and can be owned, like nests, and fought for. But what of the land? It seems to me that the earth may be borrowed but not owned, Cross Creek belongs to the wind and the rain, to the sun and the seasons, to the cosmic secrecy of seed, and, beyond all, to time."

(From Cross Creek, by Marjorie (From Rautings; Heinemann, 1942.)

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OTHER . ග ARE ۵

A GREAT DEAL of land speculation is going on, says The Queen of 28th July, and there are fears that the municipalities may be hampered by high prices when they undertake new housing schemes. In Scotland there is resentment at the purchase of large Highland estates by unnamed English syndicates. Referring to all the drastic things the Government is doing and is able to do in seizing aircraft factories and so on, the paper says that the Government "will surely be able to handle the land speculators with a similar rod of iron and prevent them from preying on the community,"

Mr. W. Manning Dacey, Financial Editor of the Observer, said, 18th July. that at present local authorities were having to stand by and watch a continuous inflation in the price of land which will sooner or later have to be acquired. This movement is a natural result of the present abundance of liquid funds. In part, it may be aggravated by misplaced fears of a post-war inflation; in part, it may represent an attempt by speculators to cash in on the betterment expected to accrue from post-war rebuilding.

In the previous issue (11th July), Mr. Dacey said that high prices are nevertheless being paid for any farms offered with vacant possession. A leading firm of valuers state that they are unable to put a price on such property, because prices may soar to almost any level if it is sold by auction. Before the war, the finest agricultural land in good heart would command a price of £40 or at the most £50 an acre. Today such land is being sold at anything from £100 to as much as £130 an acre. Government statements have suggested that substantial subsidies to agriculture will be granted. Unless steps are taken to prevent it, the tendency will be for such subsidies to be gradually swallowed up in higher rents, leaving farmers still with the very minimum needed to prevent them from turning to other occupations for a livelihood. It is obvious that the situation will need watching if any large-scale programme of assistance to agriculture is in fact put into effect.

The Lancashire Daily Post of 23rd June, in a leading article entitled "Land Values," remarked that the country is now suffering from the short-sightedness and slack political thinking of previous generations in regard to land reform, from the unearned increments which accrued from improved values created by highway and other public developments, from unbridled speculation in land, and from the unforeseen spread of the ground-rent system.

In our July issue we referred to articles by Lord Astor which happeared in the *Observer* of 13th a 20th June. In the latter Lord As made a number of noteworthy sta th and Astor state-Ö o the had

for the landed interests and the

"Remitting death duties and thereby withholding income from the Treasury is as much an expenditure of public money as using the taxpayers' money to acquire land and repair buildings."

According to the theory of "self government" underlying the Marketing Acts, "producers, if given statutory power to create monopolies, were naïvely expected to put the interests of consumers ahead of their own. Instead, the food-producer rings put up prices and in some cases raised substantially the value of their land. Fair competition and independent management are healthier for any industry than trustification or such 'democratic control.'"

"The pressure for continued control and regulation of industry is not coming entirely from Whitehall but mainly from producers who wish to be protected against external and internal competition."

No public control can deal as effectively with incompetence as competition. We have some of the best farmers in the world, but there exists a fallacy in agricultural circles that no farmer is ever incompetent, and that the State must prop up those with inferior ability.

Since 1914 nearly one-quarter of our

Since 1914 nearly one-quarter of our farm land has been sold. Many occupiers—because they were tenants with short tenancies on private estates—had either to clear out or purchase the holdings, thereby sterilising their working capital."

for timely action is greater than ever, but the chance is being missed, and local authorities, who want to make a really good job of using their land to make new and better towns and regions, are held up by the timorous inertia in London. It is absurd to talk of waiting for the national victory. By that time the land speculators may be our conquerors."

LAND IN THE MARKET

The Star and the Daily Express of 23rd July mention the sale of the Ifield estate of 1,200 acres in Sussex, which was sold three times in one day. It was the property of the late Sir John Drughorn. It cost £50,000 before the war. At the auction it fetched £128,000. After the auction, Messrs. P. and M. Cussins (of Cussins Contractors Ltd. of Putney) who had been outbid for the estate, bought it within half an hour and then offered it for sale in 101 lots. A golf course, farms, houses and cottages changed farms, houses an hands in the deals

The Llandilo R.D.C. wanting to build eight cottages (Western Mail, 19th July) on a site selected at Ffairfach, was informed by the district valuer that he could not proceed further with negotiations in consequence of a letter he had received from the agent of the Cawdor

estate, stating that he was not willing to dispose of a site in that district for the purposes mentioned. An alternative site was, however, offered on condition that two of the cottages were offered in the first place to tenants of the Cawdor estate. Members expressed the opinion that this was "going back to sixteenth century conditions." It was decided to seek compulsory powers.

The Hornchurch (Essex) Council, as reported in the Recorder of 23rd July, was offered a piece of land of 40 sq.yds. in Station Road, Upminster, for the widening of the road. The terms were £300 as purchase money, the reinstatement of the ground, erection of a dwarf wall and fencing, and payment of the legal and surveyors' fees. Mr. W. H. F. Webb made a vigorous protest; it worked out at £36,000 an acre, and it was disgraceful that a public authority should be asked to pay such a price for a non-rated piece of ground which had never paid anything to anybody. Mrs. E. M. Field pointed out that the Council were not going to buy the land; the Highways Committee had recommended that no action should be taken.

Speculation is rife as to why Lord Brocket (president of the Land Union and a prominent member of the Property Owners' Protection Association) is so busy buying up farms and farm property all over the country. It is not clear whether these purchases are on his behalf or whether there is some ring or corporation behind him.—Forward of 10th July, quoting The Week.

In an interesting income tax case that has been before the High Court (Stratford Express, 13th August), with the executors of the late W. J. Reynolds as a party, it was disclosed that in 1932 Mr. Reynolds bought the 64-acre Wangye Farm, Chadwell Heath, for £19,000 and soon afterwards sold it for £40,960 to Pardall Estates Ltd. In 1934 Mr. Reynolds bought the 53-acre Hill Farm, Woodford, for £18,725 and sold it to Tudor Properties Ltd. for £30,266. The Inland Revenue contended that the transactions were in the nature of trade or business for income tax purposes. Judgment was given in favour of the Commissioners. Mr. Justice Macnaghten said that Mr. Reynolds was engaged in trade, as a buyer and seller of land. "In both the transactions Mr. Reynolds paid nothing out of his pocket except the deposits on the purchase price, and waited to complete until he had sold the land; no developments were made by him."

Stop this Speculation in Land! is caption of a considerable number newspaper cuttings we have recoduring the month, in leaders, leattes and special articles. But many writers stop short of seeing the remedy is—Tax Land Values. have receiv nd! is the umber of received s, leader-

6d. LIGHT ON THE LAND QUESTION, inquiry into the Land Value Policy

RESOLVES COUNCIL CHESHIRE

, by a vote ict Council resolution AT ITS meeting on 28th June, by of 13 to 10, the Urban District C of Ellesmere Port adopted reso as follows:

That the Minister of Town and Country Planning and the Member of Parliament for the Wirral Division of Cheshire be informed of, and the latter requested to support, the resolution of the Council, in favour of a general valuation of the land values in the country, which is recorded in Mmute No. 635 of the meeting of the Public Works and General Purposes Committee held on the 8th March, 1943, as approved and adopted by Minute No. 674 of the meeting of the Council held on the 29th March, 1943, such approved and adopted recommendation being in the following terms:—

terns:—

(a) That the Urban District Councils Association, or the Executive Council thereof, be urged to make representations to the Government in favour of there being a general valuation of land values in the country, and of it being made obligatory for at least a portion of local rates to be levied thereon, the levying of such rates or national tax to be made applicable to all land according to its site value, in order that a uniform benefit may be derived from it and an equal pressure exerted to reduce land values to a non-speculative level and prevent land from use.

(b) That, for the information of the Urban District Councils' Association or its Executive Councils' Association or its Executive Councils and the Government, it be recorded that the Council are of the opinion that, unless action in accordance with recommendation (a) is taken, the State or the Planning Authorities may easily be committed to large and wasteful expenditures for which no adequate return will be secured, and which will have the ultimate result of retarding the provision of useful productive enterprises on which the economic life of the country depends.

The previous resolution on 28th June for further action, the discussion on which was extensively reported in the Ellesmere Port Ploneer of 2nd July,

Councillor T. J. Rivington said that his motion followed consideration of the Uthwatt Report, in which it was recommended that local authorities or the national body should compulsorily take over areas of land on its 1939 value. That would be a very high level, and, in his opinion, it would be uneconomic. It would involve local authorities in the spending of large sums of money and probably a great deal of legislation. There would also be much delay.

If his resolution were put into effect it would cause land to be released for development. One of the things they

things t after looking forward to

was the building of millions of homes. One of the main charges in house-building in the past had been the land, causing local authorities to subsidise schemes in order that the house could be let at a rental which working people could pay.

They wanted also to release land for industrial development. By the present method of taxation we taxed improvements; we taxed every development that came about. Instead of furthering those particular efforts, they were hindered by the present system, and the land owner, who was making no contribution to society. "got away with it all the while."

"Don't you think that here is an avenue to be tapped for taxation to help the people who are carrying on the industry of the town instead of being mulcted into greater burdens?" he asked.

Alen babing the resolution was the asked.

Also behind the resolution was the wish to break the ring of monopoly in land. He wanted land to be made more cheaply available in order that it night be used to meet the needs of any o meet area. cheaply ava be used to particular

COUNCILLOR G. ASTBURY, Seconding the motion, said it was in the experience of the Council that they had approved plans for the lay-out of an estate, and the land had been advertised and "hawked about" the following day. Selfish obstructionist would not be allowed to hinder development, and the policy advocated would put a stop to that.

COUNCILLOR JOHNSON believed that we should get a legislature who would feel that this business of land values must be tackled. Lloyd George and Philip Snowden had tried it, he recalled, but he thought there would still arise an Elijah or some other prophet who would get taxation of land values properly ordered whereby communities would get the benefits to which they were entitled, and those who had selfish in the wilderness.

Replying to the debate, Councillor Rivington refuted the suggestion that the resolution was a political move. There were Conservatives who supported the idea of taxation of land values.

The resolution was conveyed to the Urban District Council Association, the Executive of which replied that they could not send it on to Parliament because it was a controversial matter. Further action is being considered, Execution of the could the

the pressure on our severely limited a caused the foregoing matter to be over to this month.—Editor, Land and (The

2s. 6d. PROGRESS AND POVERTY. An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Walth—the Remedy. By Henry George. Complete edition. Paper covers, 2s. 6d.; in special binding, 3s. 6d.

In 1882 Lord Pembroke had written to Auberon Herbert that he wanted him to do him a favour; to read a book called Progress and Poverty, by Henry George. It seemed to him one of the greatest and most original books he had ever read. He lacked words to say what he felt about its power, its lucidity, its dangerousness to the peace of the world and its value if true; but the fact was he was conscious that he did not know enough of political economy to form a trustworthy judgment on such a book, and that was why he wanted him to read it and tell him what he thought of it. He fancied he could detect a good many exaggerations and minimisations in it; but in the main it seemed to him that he had made out his case, though he felt that Henry George had rather spoilt a perfectly good case by attempting too much.—Auberon Herbert, Villiams and Norgate, Ltd., London, 1943. Price 15s. [at pp. 271-2].

Two hundred freemen of the borough of Colchester have each received 25s., derived from rents of common lands and money in the funds.—The Times, 3rd August.

Lord Mildmay of Flete had a long letter in *The Times* of 5th July bewailing the circumstances of the agricultural-landlords. To this, on 8th July, Dr. T. Balogh, of Balliol College, made reply, saying: "Lord Mildmay of Flete has an excellent way pointed to him by Sir Richard Acland to free him from his tribulations. He should make over his land to the nation. The fact that land values have risen 200 to 300 per cent. Since the outbreak of the war does not seem to substantiate his protest that landlords have been so badly treated. Soldiers and small shopkeepers would be glad to 'struggle on' under such conditions."

The Menace of the Planned Economy, by George Winder, published, price 6d., by the Society of Individualists, 154 Fleet Street, E.C.4, is warmly commended. His description of the working of the Marketing Acts and of the Milk Board, his criticism of the "planning" policies of both the Right and the Left are illuminating. Outlooks like that of the Economic Reform Club, the London Chamber of Commerce and of the spate of documents that have recently appeared, do not escape him—and his brush has the Waller Lippmann touch. Mr. Winder, now resident in England, was formerly Solicitor of the Supreme Court of New Zealand, is founder of the Tariff Association of New South Wales ("tariff reform", there meaning Free Trade), and is joint author of The Delusion of Protection, published in 1931 by Angus and Watson, Sydney.

TAXATION? WHAT'S WRONG WITH Jackson H. Ralston.

WHA THE SICILIANS AN

Jackson 20th Jr acknowledgments.) article the Ea , 1943. ticle by J. Han EASTERN DAILY F 1943. Reprinted Hampden Press, with

Allies can give the people of what they want, the whole of popular revolt in enslaved may be precipitated.

For once there is no doubt about what the people want. The Sicilians want land. They are not interested in political parties or in ideologies, they are not concerned about Fascist imperialism or even about Italian nationalism. They are a peasant people, most of them (58 per cent.) illiterate in 1918 and many of them illiterate today. They want land—the right to own the little lemon groves and olive groves and the mountain slopes where their goats pasture, and the right to work as their own the vast stretches where the great landlords have undertaken no cultivation at all. If the Anglo-American invaders can give them this, we shall be the most successful in the whole long list of conquerors who have laid violent hands on Sicily.

Sicily has been the most frequently conquered and the most consistently ill-governed of all parts of Europe. The Vandals, the Goths and the Byzanthes, who in turn seized Sicily in the Dark Ages, left little but ruin behind them. It took a Northern invader to bring law and order to the ravaged island. The Normans, who conquered Sicily a generation after their conquest of England, established a strong centralised Government under Roger Guiscard and his son. Of all the races who have conquered Sicily, only the Normans were able to govern it, but their reign was brutal and short and they left no love behind them. In the thirteenth century a brilliant cosmopolitan civilisation was superimposed on Sicily, which was then the meeting place of the Christian and Moslem words and the new conquerors who came to Sicily—first the Frenchmen of the House of Aragon, then the island. The much-conquered and ill-governed the field of the House of house of Bourbon—brought nothing but misery to the island.

The much-conquered and ill-governed Sicilians developed a passionate love of independence. Of all European peoples, only the Bohemians and the Swiss can compare with them in popular determination to live as an independent nation in medieval times. Unlike the Bohemians and the Swiss, the Sicilians never knew success. Their revolt against the French in 1282, the bloody "Sicilian Vespers," was followed by a worse tyranny. It was not until the later part of the 19th century that independence came within their reach. In 1860 Garibaldi and his immortal "Thousand" landed at Marsala in the west, defeated the Bourbon troops at Calatafani and marched on to occupy Palermo and Messina. But

brought them tyranny. United Italy was a tyranny. United Italy was a mixty ranny. United Italy was a mixty ranny. United Italy was a moligarchy of it is a far as ever from having what they wanted. They wanted land. In 1892 they rose in insurrection for it and I were defeated. In 1919 they rose again and were again defeated; over 30 were killed and 100 wounded in the land riots of the Fascist tyranny and the end of their hopes—until to-day. Sicilians silians' revolt under (t them nothing but y. United Italy was a

A generation or two ago, when the tyranny of landlords, merchants and ouswers pressed hardest on them, and the countryman could get no living from his own rich island, the United States received Sicilians with open arms, as in very similar circumstances it received Irishmen. Sicilians came to look towards New York rather than to Rome for temporal salvation, as Irishmen came to look to New York rather than to London.

The United Nations have a great fund of good will to draw on in Sicily. But the fund will be frozen if we ever allow ourselves to forget what the Sicilians want. They want to own the land they work. And the same is true of the mainland from Calabria to the or Romagna.

Italian rule did not bring the Sicilians the relief which they had hoped for. The island was divided up into huge estates among a few princely owners. Even to-day the system of latifondi, by which the peasants have to work for these owners who live in luxury in Rome, is one of the problems of the Fascist Government.

Sicily in the olden days was one of the granaries of the Mediterranean; to-day she produces insufficient for her own needs, partly due to the large amount of grain which is used in the manufacture of Pasti, the main sustenance, with beans, of the population. The average meal of a Sicilian labourer is a roll cut in half and stuffed with

beans.... the 1937 it was officially stated that an 1937 it was officially stated that out of a four million population two-fifths lived in a single room for a family. Along the south coast may be found families living a community life in the huge caves cut out of the rock, herding with the mules, asses and beans. In 1 out of

Graphic, Sinclair Pooley in 3, 11th July. the Sunday

Nelson's Estate in Sigur.—" When Catania is captured, as it may be very soon (Manchester Guardian, 15th July, London Correspondent), "our troops advancing thence to the west of Etha will be on the soil given by the grateful King of the two Sicilies to Nelson. It is owned now by Lord Bridport, a former naval officer, who inherited the estate by way of Nelson's niece. Until

the war two English land agents were in charge of the estate, which includes the Bronte and other villages. The peasants there had in the past been on the best of terms with their successive English landlords. There was a time, indeed, when the Sicilian people started a movement to imitate the Maltese and ask for inclusion in the British Empire. That was when Ferdinand II. bombarded Palermo and Messina and flung many of the chief citizens into dungeons." many of dungeons.

THE STORY Of Fontamara ("Waters of Bitterness"?), by Ignatio Silone, published in 1934 by Methuen and Co. Ltd., London, is of the diversion of the stream which irrigates the peasants village soil, in order to benefit the land of the local wealthy owner, and of the coming of the Blackshirts and the futile resistance of the peasants. We take the following from the Preface, which is dated 1930:—

"The soil reclaimed by the draining of Lake Fucino was among the richest in Italy, but its exploitation yielded no compensation for these losses. The district had been reduced practically to serfdom. The great wealth it yielded yearly did not stay where it was but emigrated to the Capital. A so-called Prince Tortonia owned the 8,000 acres of Fucino, together with a vast expanse of country in the Roman Campagna and Tuscany.

"This prince was the descendant of a certain Auvergnat named Torlogne, who came to Rome with a French regiment at the beginning of last century. First he speculated on the war, then he speculated on the peace. Then he speculated in salt. He speculated on the war of 1848 and on the peace that followed it, he speculated on the Bourbons and he speculated on the Bourbons and he speculated on their downfall. After 1860 he succeeded in gaining control of a Franco-Spanish-Neapolitan company which had constructed the outlet for draining the lake. He bought the shares very cheaply. Torlogne, according to the privileges granted to the company by the King of Naples, should have had the right to the produce of the reclaimed soil for a period of ninety years. But in return for his political support of the Piedmontese dynasty, this privilege was extended to eternity and he was granted the title of duke and later that of prince. The Piedmontese dynasty gave him something they did not possess.

work on the land. The so-called Prince Torlonia lets his land to barristers, doctors, solicitors, professors and wealthy farmers of the neighbourhood, who either sub-let or cultivate the soil themselves, hiring the poor peasants as day labourers.

between the wretchedness of the peasants and the enormous wealth Prince Torlonia draws yearly from the Fucino. The Fucino yields him annually disparity of the

w, ww tons of sugar-beel, 15,000 tons of corn, 2,000 tons of vegetables.

"The beet of Fucino is the raw material for one of the most important sugar factories in Europe, but sugar remains a rare luxury for the peasants who cultivale if. It only enters their houses once a year, in Easter cakes. Almost all the corn of Fucino goes to the city, where it is used to make white r bread and cakes and hiscuits, and even the city, who grow it have to eat maize E bread for the greater part of the year. All the peasants get from Fucino is starvation wages; wages that allow them to exist but not to live. ...

"Some even took Fucino as a symbol starvation is recovered."

HUNGARIAN FEARS

Count Michael News of 27th rrom an article by C Karolyi in Rexnolds ? June.)

Ar The end of the last war I headed as Government which sought to give the flungarian people a real stake in their country. Mine is a country of landhungry peasants and indescribable poverty. There are three million more or less landless peasants in a total population of 8,500,000. Two thousand two hundred and forty-two big landowners draw an annual income equal to that which must sustain 4,000,000 land workers and small peasants. We wanted to break up the great feudal and church estates; to give the people the land for which they hungered.

The Hungarian counts, the Roman Catholic Bishops, the military clique, the bureaucracy, united to hamper and destroy my reforms. They played on the Allies' fear of Bolshevism by pointing to my Government as a Bolshevik regime, whereas in fact, it was no more Radical than the Governments of Leon Blurn, of Negrin, or of Beanes.

One result of their work and of the Willingness of the Allies to listen to them, was that the people turned to the Communist leadership of Bela Kun. And Count Bethlen did not hesitate to call in Rumanian troops to crush the Hungarian Red Army. This was the Hungarian Red Army. This was later Prime Minister for ten years, who welcomed collaboration with Hitler, and who is now being brought out from the background as a "moderate" politician who may be useful to save Hungarian reducisin have men den event with

Hungary between the last war and the present? For 20 years they preached to the outside world and the Hungarian people that the source of their miseries was in the Treaty of Trianon. It is true that this Treaty, which was signed by the present ruler of Hungary, Admiral Horthy, contains clauses which are not only cruel, but unreasonable. But the Treaty is not responsible for social contracty is not responsible for social contracty. ditions, which are among the worst in Europe, for the unjust distribution of the land, for the total absence of real democracy, for appalling misery on one side and enormous wealth on the other. In 1936, a Hungarian land worker

had

income of £25. Industrial wages were equally on a starvation level. Before the last war barely 6 per cent of the population had the right to vote. Today, the proportion is slightly higher. But 80 per cent of the voting is by open ballot, with voters terrorised by the Government machine.

The denationalised class that has ruined my country has its friends in the West, who for ideological reasons do not want to see the destruction of Hungarian feudalism. Should their manceuvres succeed, one can only use Talleyrand's words: "C'est plus que un crime, c'est une betise." (It is more than a crime, it is stupidity.) For so long as this regime lasts there is no possibility of a democratic and progressive Hungary. No real co-operation is possible with neighbouring States, no social reform will be carried through.

What must be done? Hungary needs above all things peace and a rise in the standard of life. The big landowners,

be forced to give up the this is done, there of serious reform. e up ti there os must be for Unless this question of s bishops l lands. I be no qu

BEHIND POWER

In an article with this heading about Hungary's war-time shifts and stratagens, in The Times of 23rd August, the writer concludes thus:—

"The Horthy régime can speak with several different voices and put on several different masks. But behind them all is the face of the stubborn, greedy, reactionary landlords who are the real rulers of Hungary."

Another instance of the truth of v Henry George wrote in *Progress* Poverty, at the end of Book 5:—

"Everywhere, in all times, among all peoples, the possession of land is the basis of aristocracy, the foundation of great fortunes, the source of power."

CORRESPONDENCE

WORD TO PROPAGANDISTS

The Editor, Land & Liberty.

Sin,—With no desire to be hypercritical, I want to criticise the tendency to make too much of the merely fiscal considerations in the advocacy of the Taxation of Land Values.

It is not a matter of first importance to what pockets ground rents find their way. Financial adjustments can be made in many ways. The more important matter is that all land shall be available for use at a price, or rental equivalent, which represents the economic value of the land for present use; and that it shall be made economic ally prohibitive for land not to be used to its fullest extent according to its suitability.

A tax on land values would tend to make the value of land for present use the basis of purchase price, or rental equivalent, and thus to do away with speculative value.

The Taxation of Land Values would bring all land into the market for present is enterprise and industry would cease to be burdened with rack-rent charges based on land values inflated by artificial shortage of supply in a market to live.

What the economists call the margin of cultivation (more comprehensively expressed as the margin of utility) would, by the taxation of land values, come to have a practical meaning, so that land with such a low utility value as to make it uneconomic to pay rent for its use would become available for use at a cipher rental.

It is mischievous, and serves no useful purpose, to pillory land speculators or landowners, either individually or collectively; even single taxers may be land speculators or landowners if they have the means and the necessary business qualities.

There has been too much of a tendency amongst the advocates of the

taxation of land values to assume that taxation of land values they must rely on what are called the progressive forces in politics. It may reasonably be contended that the success of the advocacy of this most important social-economic reform is dependent upon winning the adherence of intelligent people everywhere, regardless of their political party associations.

Landowners and land speculators do not constitute a peculiar species in the general community; and it is reasonable to assert that any landowner or land speculator who, notwithstanding his apparent self-interest, became satisfied that the taxation of land values would promote the interests of his country, and of the community in general, would be as ready to support the advocacy of such a reform as he is to risk his life and his fortune, or that of his sons, to resist aggression by a foreign foe.

Do let us stop assuming that all those who think they benefit financially from the present system of land appropriation must necessarily be opposed to any reform which would admittedly be beneficial to the community at large although seemingly to their personal disadvantage.

This reform is part of the general scheme of economic liberty in a democratic State, and we must not place our reliance for its practical realisation on any political party which would suppress liberty and set up a tyranny in the name of Democracy.

Yours, etc.,

[With his good advice "C. W. L. knocks at an open door in maintaining that personal guilt is not to be attributed to those who take to themselves and benefit by the rent or value of land which is a common fund. It is the law that is wrong, and the responsibility lies with the citizens who make the law and can amend it. We agree and always insist that the educational campaign for reform must make that

goes to the other extreme in saying that "it is not a matter of first importance" into what pockets the value of land goes. Surely it is. The analysis of wealth production and distribution has proved not only the injustice but also the baneful social effects of the private appropriation of the rent of land. We would "tax land values" and correspondingly relieve trade and industry because the rent of land is the property of the community, and because wealth that is produced belongs to those who produce it. That is the object; the bringing of land into better use is one of the effects. The idea that we should look for the effects and be less keen on what happens to the rent is untenable. Rent is but a part of the sum total of wealth, and like the other parts consists of goods produced—as for example the coal which is sold to provide royalties, or the wheat from the fields, one "heap" of which is the rent which the landlord gets. We have seen the argument, within our correspondent's contention, carried to the point of saying that the rent of land "could be thrown into the sea," given that by its collection the land monopoly was broken. Which is absurd. The rent of land does not consist of money that "goes into pockets" or banking transactions or sets of figures. It consists of goods, of material wealth.—Editor, L. & L.] our c correspondent eme in saying

EXPENDITURE AS A WORK-GIVER

this with the fact that war-time expenditure actually does absorb the bulk of the unemployed. Is the explanation to be found in the diversion of capital investment abroad to production of war goods at home? Or, if not, what accounts for the undoubted fact of full employment under the stimulus of war-time needs?" A Brantngham subscriber writes: "I wonder if W. R. L. would expand and justify his thesis (in his article on recurring unemployment, June issue of Land & Libertly) that government expenditure cannot increase the sum total of employment. I cannot quite square this with the fact that war-time total of te square war-time

[W. R. L. comments as follows: It is said that the thesis that government expenditure does not increase the sum total of employment cannot be squared with the fact that war-time expenditure actually does absorb the bulk of the unemployed. This looks like arguing in a circle and committing the fallacy that because two things happen at the same time one must be the cause of the other. May not the true cause of the absence of unemployment at the present time be something quite other than the government's expenditure? I adhere to the original statement that governments do not and cannot create either wealth or employment. Whatever money or wealth goes in wages to those working in government service was produced by the citizens generally and transferred to the government either through taxay purchase that in c her through taxa-

government's demand for goods and services is increased that of its constituents declines. Thus the expenditure by governments cannot affect the total of employment. All it may do is to determine what kind of employment there shall be.

This being the case, the question asked is how we are to account for the fuller war-time employment? In answer we must turn to a first principle which, though profound and farracching, is very generally ignored. This principle is that all wealth and all the effort devoted to its production comes from the application of labour (unemployment) to natural resources (land). In any given state of society the amount of labour employed directly or indirectly in producing wealth depends on the extent and quality of the natural resources that are employed. Applying this to present war conditions of so many people at work, is it not a fact that to-day very great areas of all kinds of land which previously lay idle or only half used have now been brought into intensive use? We have but to think of the sites formerly unpeopled now occupied for airfields and camps and munition factories, the parklands applied to many purposes, the greater exploitation of farm lands, forests and mines, the vacant building sites now used for allotments, etc., to realise how great the development has been since 1939 and how great the new opportunities for employment.

This has been done not by government "expenditure" but by powers exercised taking control of the land and at the same time enforcing the Essential Works Order, under which people must set to work or give service. It is true that money has been handled in the process. Landholders have got their rents or prices and the State employees their wages, but that is only incidental. It could theoretically be done without anything like so much or first of the money used consists in debts entered in the nation's ledgers, which in due course the Government has to

refund.

When that time comes (as with any personal debt) will it be argued that the creditors receiving back their loans, now spending the funds that have been restored to them, will be able to "create" a new and additional volume of employment? If that were so, we could have Utopia, and Utopia repeated, every time a debt is contracted and redeemed.

Another reason for the greater wantime employment is that very many men and women have been drafted out of their ordinary occupations into the defence services, and their places taken by others who all not work before the war, which suggests that if only one had a large enough army one could get rid of unemployment altogether. But at what a cost! Millions would be turned awar from producing things turned away from producing things that support life to producing instruments for its destruction. Work for all would be secured at the cost of general impoverishment.

view and dealt with on a higher plu All of which leads on that this whole on to the matter sh , should be plane.

We have been confusing ends with means, and the reason why we have come to think in terms of employment instead of in terms of wage or reward, is that we live and work in a society so based that in normal times there are not enough jobs (employment) to go round; to "get employment" for the sake of employment is made an aim and object. But in a society differently based, where access to land, free from obstruction, was open to all on equal terms, productive employment, each making his own living and each adding to the stock of wealth, would come to all, not as a privilege or favour to be sought at all costs but as easily and naturally as the air we

Before judging whether the "diversion of capital investment" can explain anything or do anything, let us be clear as to the meanings of things and as to the facts. Certain people in this country have owned property (a "capital investment") abroad. The Government has ordered the owners of that property to sell it to the British people and on behalf of the British people has given interest-bearing State bonds in exchange, presumably of equivalent value. Again, acting for the British people, the Government has sold the overseas property to people abroad and they, purchasing it, have caused bulk shipments of goods to arrive in this country by way of payment. The arrival "sudden like" of so many goods on our shores, and temporarily much-needed goods, the national debt that has been incurred, there is used to do as a wealth-producing agency. If, then, extra employment has been given by the mere change in ownership, who has goot it? But there I must leave the matter, having offered my own explanation of the true meaning of employ-ment and ownership, who has good it? But the good is a wealth-

Twopence Each. LAND VALUATION AND LAND VALUE TAXATION IN DENMARK. By K. J. Kristensen, Chief of the Danish Land Valuation Department. The CRIME of Poverty, by Henry George; Unemployment AND THE LAND, by W. R. Lester, M.A.; Moses, by Henry George; The New Political Economy, by John B. Sharpe; Also (by Henry George):—Scotland and Scotsmen, Thou Shalt Not Steal, and Thy Kingdom

6d. Land Value Taxation in Pr. Review of what has been done in a pof countries. By A. W. Madsen, B.SC. Practica.

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