

taxation, are often prohibitive, and land suitable for cultivation, for building, etc., remains unused where men seek work and families lack homes and sustenance. It would seem that the authors of the United Nations' programme do not know there is a land question. It is the fundamental and most vital question. The withholding of land from its best use is a fatal obstacle to full employment and general prosperity; it can be removed by means of Land Values Taxation and Free Trade. This is the indispensable first step towards the solution of the various social problems. To modern Naamans this may seem too simple to be good; it is good because it accords with the natural order and is therefore simple.

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THE KEY TO PROGRESS High prices for land - purchase price or ground-rent - discourage industry and enterprise; they not only make developments more costly, but increase the assessments on which the local rates are paid. The Australian States have adopted a better system; in many of them the rates are levied on the selling value of land, used and unused, instead of on used land only and on the value of its use, as in this country. The new system cheapens land by making it unprofitable to withhold it from use and thereby increasing the market-supply; it encourages industry by providing cheaper land with local services at prices (rates) which are not increased when business men adopt modern improvements in premises, plant or methods.

Evidence:

In a study of the effects of Land Values Rating in the Australian States, 1945, the benefits of cheap land are dealt with thus: "The more attractive prospects in Queensland due to the lower price of land are not confined to the dairying industry. They apply equally to all branches of farming. They are a direct cause of the remarkable increase in the number of small factories in Queensland . . . They contribute greatly to the high percentage of home ownership in Queensland. Towards all these results the land value rating system works from both ends simultaneously. First, in keeping down the price of land it enables all forms of land use to be undertaken with less preliminary accumulation of capital. Second, in calling upon vacant site owners to contribute as much to revenue as though their properties were in full use, it reduces the share of those who develop their properties properly, and in this leaves them with more working funds to put into improvements of their properties."

Other good effects of Land Values Rating will be dealt with in future issues of the "Porcupine."

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THE PORCUPINE

(WITH SOME TELLING POINTS)

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HANDS & MOUTHS Recently published estimates of population show that in spite of a widespread use of birth control, the population of England and Wales in June 1949 was 43,595,000 - an increase of 93,000 on the total of the previous year. To the over-populationists this means 93,000 more mouths to be fed in a world threatened by famine because (they say) population increases faster than the means of subsistence. But to those capable of taking a comprehensive view of the situation, it means an addition of 186,000 hands able to produce all the things necessary for the sustenance and comfort of their owners and other people as well.

Production and Destruction

Another aspect of the food problem is dealt with in the 1949 report of the United Nations Economic and Social Council. In this appeared a statement that a review of the world situation shows that the total food production in that year was 20 to 25 per cent greater than in 1937. This comforting thought is somewhat marred by the "News Chronicle" Correspondent who, writing from Washington in February, described the American potato muddle as a "big plague of potatoes." The American Secretary of Agriculture had told a Committee of Congress that the forty million bushels of potatoes bought by the Government at high prices to keep the price high, would have to be destroyed, as efforts to induce people to use them would involve a further loss to the taxpayers. The Correspondent goes on to say that the first result of this policy was that large numbers of people could not afford to eat as many potatoes, and consumption dropped by 15 per cent. This precious plan cost the taxpayers no less than £116,000,000 - to bring about conditions of scarcity and hunger. Well might the "News Chronicle" remark that this story seemed to be ready for 'filing in the annals of human folly.' These annals would not be complete, however, without

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some reference to a belief - popular in some quarters - that over-
production of wealth (food, etc.) is a cause of poverty and hunger.
The reason behind folly.

Plans and controls are usually designed to benefit somebody at the expense of somebody else, and one of their effects is a redistribution of wealth. In the absence of this potato plan potatoes would have been cheaper, more people would have eaten more, and the taxpayers would not have been penalised by the cost of the plan. Producers of food and other good things have no moral right to compensation from the community when they miscalculate the public demand for their products. With ordinary intelligence, people engaged in the provision and distribution of commodities are capable and willing to earn a just reward for their services, and to bear their losses. Freedom is the basis of natural co-operation and prosperity, and the indispensable first step towards this ideal must be the removal of the underlying wrong of the Land Monopoly. Land-values Taxation provides the means.

WHY FREE TRADE? In a broadcast speech in March 1943, Mr. Churchill, then Prime Minister, said:

"The British nation that has once again saved the freedom of the world has grown great on cheap and abundant food. Had it not been for the Free Trade policy of the Victorian days our population would never have risen to the level of a great power and we might have gone down the drain with many other minor States to the disaster of the whole world."

A more important reason -

That Free Trade enables a country to obtain cheap and abundant food is one of the reasons why Britain should abolish protective tariffs. But there are other and more vital reasons in favour of Free Trade, one of them being that in a world where the raw materials of the earth are unequally held by the nations, tariff barriers make it difficult or impossible for some countries to develop their industries, and the resulting hardship and ill-will become a fruitful cause of war. Free Trade alone will not solve the poverty problem, but it makes goodwill and peace possible between the nations. And in such conditions, the people in each country can win their economic freedom by freeing the land from private ownership and control. In time of war the people are merely material for national armies and navies - un-free and helpless.

EXPERTS ON UNEMPLOYMENT A report by experts on measures for full employment was issued in January by the United Nations. Their recommendations included the adoption by each Government of a full-employment target which should

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be expressed "in terms of the smallest percentage of unemployment of wage-earners which the country could reasonably hope to maintain," and also counter measures to expand effective demand for labour whenever unemployment exceeds the range defined in the full-employment target for three consecutive months.
Comic-Opera Economics

The experts responsible for these proposals seem to regard unemployment as a kind of national luxury. Fearing, perhaps, that there may not be enough of it to 'go round', they invent a rationing scheme with a means-test - each nation's share to be determined by its ability to afford a given proportion of unemployed people. The idea is worthy of a W. S. Gilbert. If unemployment can be regulated on a percentage basis, as suggested, would it not be wiser to regulate it to vanishing point by the proposed expansion of effective demand for commodities? Why it should be necessary to regulate unemployment in countries where full-employment plans have been adopted, is not explained. In a community where men and women were economically free, the regulation of unemployment would be recognised as an absurdity - like rationing a preventable disease.
Unemployment increasing.

Percentages of unemployment may be interesting to Governments, officials and experts, but to its victims it is a tragedy which no planning can alleviate. Owing to wars and works of reconstruction there has been little unemployment in recent years, but there is growing evidence of its increase in this country and elsewhere. The number of registered unemployed in this country last November was 523,600 - 23,300 more than four weeks earlier. And according to the United Nations' review of the world's economic areas, there were in the United States of America last August 3,700,000 unemployed and 2,300,000 partially unemployed persons. Evidently there is no lack of tragic material for Ministers and officials who undertake the rationing of this social disease.
Effective demand.

Wherever people need food and other commodities, there is a demand for labour in producing these things. But the demand is not 'effective' unless the needy people are producing other things or rendering services of equivalent value which they can exchange for the things they desire. The 'purchasing power' so acquired enables them to make an effective demand for labour employed in other occupations. Consideration of these elementary facts suggests the question: Why, if the nations possess the power to stimulate the demand for labour, do they tolerate unemployment? The answer is obvious, but not to the official mind of experts. Production and the rendering of services depend, primarily, neither on private nor public enterprise, but on the terms of access to land - LAND BEING Nature's Storehouse and man's workshop. Where land is treated as private property, as in all civilised countries, these terms, added to