

AT A TIME when Britain has 3 million unemployed there is no shortage of forecasts that things are going to get worse. Hardly a week seems to pass without some learned body or other predicting, usually with a side-swipe at current government policies, that the jobless total will eventually reach 4 m, 5 m or some similar alarming figure. The forecast is usually supported by appropriate statistics about the continuing incursions of the computer, the mighty march of the micro-processor and the rise of the industrial robot.

In his recent book,¹ James Bellini puts himself way out in front among prophets of gloom and doom. His theme is not so much of concern for Britain's industrial future as of complete despair. He forecasts not just a flood of unemployment by the late 1980s (5 m or more) but the complete collapse of British industry.

As he sees it, the world is caught up in a second industrial revolution – an age of electronic magic – during which computerised production processes – micro-electronics, optical fibres, advanced communications, the unmanned electronic factory – will transform the industrial scene. We shall see “high technology production of 21st century products flooding into the market place at ever-falling prices” and taking us into an era of “dangerous over-supply.” It will mean a crisis of too many goods chasing too few customers and the world facing a mounting threat of being “overwhelmed by excess.”

The result will be a full-scale battle among the trading nations of the world, a conflict that Mr. Bellini describes with all the relish of a battle-hungry war correspondent. The “price-war” will be a “fight to the death.” The “spoils of victory” will be immense. The real “cut-throat fight” will be in Europe. Brazilian and Korean factories will be “spewing out” cheap motor-cars in an “ever-growing flood.” East European producers are preparing an “onslaught” on the consumers of the Common Market. The battle of car components will be a “second front” in the “commercial war.” Production lines will be started “inside enemy territory.”

SIEGE ECONOMY

Some countries will emerge from the struggle victorious. But in Britain the ageing of industry will have gone too far. Enormous tracts of our factory landscape will slip into decay. We shall be falling back to a “siege economy” in which work will become “a luxury for the privileged few.”

But the international trade war will not be the only conflict in which Britain of the 1980s will be entangled and not the only one from which she will crawl out on her knees. She will also be the loser in an internal industrial struggle involving Mr. Bellini's “goodies” – the people who work in factories making “democratic wealth” – and his “baddies”, those occupied in the “vast service class” – finance, insurance, advisory services and other knowledge-based work – who, in his eyes, merely make money.

Mr. Bellini has a picture, or perhaps it is a nightmare, of Britain “abandoning its factories;” of steadily opting out of manufacturing industry to pursue the cosy delights of “gentlemanly life” in the service sector. “As the service class grew, the factories experienced an exodus of workers on an almost catastrophic scale.” In the ten years to 1974, he records, a million industrial jobs were lost in this way. By the year 2000, he predicts, a further 2 m will have gone. By then, industry will have all but died. “Factories will stand in ruins, their machines rusting slowly to dust.” There will be millions of acres of economic desolation and a mass of unwanted labour. From being the workshop of the world, the country will become an

The ‘landfax’ aristocracy: a vision of the 21st century

archeological site from the western industrial past. “But there will be no industry.”

If prejudice against the service sector is one bee in Mr. Bellini's bonnet, another is an obsession with British feudalism. He argues, not very convincingly perhaps, that the reasons for Britain's economic decline are primarily social. Britain's life-style – unwritten taboos and hidden codes of social conduct – amount to an “informal apartheid” based on social rank which, in industry, is most prevalent in the service sector. The increasing domination of the job market by this sector will magnify the “feudal flavour” of Britain's economic system.

So, argues Mr. Bellini, Britain is reverting to a feudal form of society. It will be a society dominated by the elites of the Civil Service and of Oxbridge with class-ridden governments, a powerful landed gentry and the masses in “a permanent state of jobless serfdom.” As industry continues to rust away and the economy moves into “a downward spiral of disintegration,” it will divide into two sectors based on land and services, with land the dominant factor. A “landfax aristocracy” (an economic system “run by the owners of land and information”) will run Britain during the 21st century.

By Bert Brookes

In making this last prediction, Mr. Bellini gives some show of awareness of the key position of land in the national economy. Land, he declares, is the ultimate resource and he refers to the “awesome political and economic power” that goes with land ownership. He quotes Mark Twain: “Nobody's making it any more,” and adds that just as land was the cornerstone of the power system created by William the Conqueror, so it remains the cornerstone of power to-day.

SCRAPHEAP

Yet it soon became plain that the master-role of land ownership in the economic and social condition of the people is something of which he has no conception. When he speaks of land (and of “land hunger”) he is referring to the rolling acres in the countryside (“valuable in terms of hard cash and for reasons of positional life-style essential to a leisure class”), to the “urban investments that form the bedrock of their portfolio of wealth” and to the allotments for vegetable growing for which there has been a clamour from “the very bottom of the social hierarchy.” In contrast, land “left on the scrapheap by urban

decay and industrial decline . . . is of little interest to the landfax investors.” So land emerges, not as “the great fundamental fact that ultimately determines the social, the political and consequently the intellectual and moral condition of a people,” but merely as a sound investment and as part of the trappings of feudal position and prestige. (“It grants its owners a quaint, inflated sense of social power . . .”)

Mr. Bellini's picture of Britain in the late 1980s and beyond hardly cries out to be taken seriously. It is more of a caricature; a flesh-creeping fantasy based on premises too unreal to merit acceptance. His prejudice against the service industries seems purblind and irrational when it is borne in mind that it is natural for this side of industrial activity to expand as the processes of goods production become simpler, more automatic and use less labour. The whole trend of the industrial revolution as it has rolled on from mechanisation through mass production to computerised automation has surely been towards cheaper goods, shorter hours in the factories and more leisure time, to cater for which more people are being employed in services such as transport, travel, education, holidays and entertainment.

The evidence of the book is that none of this is lost on Mr. Bellini. He concedes that “all new technology carries the promise of great benefits.” But he insists that “a revolution can only succeed if it is total.” If it is unfinished it creates two economies; one modernised, the other “left behind as a second-class hinterland.”

Few would quarrel with that sentiment. It is a fair summing-up of the frequent initial effect of technological progress. But why do industrial revolutions stop short of totality? Why will the revolution of the 1980s fail to last the distance? Mr. Bellini does not explore this question. If he had, he might have found that the causes are bound up with the factor in production which he calls “the ultimate resource” – land.

UNEMPLOYMENT

For it is axiomatic that the universal enjoyment of the fruits of technological progress depend on the continuous expansion of industry – including the service industries – to absorb those displaced by the new techniques. As we are seeing to-day, however, this fails to happen when the price of land, the basic need for any form of industry, is so forced up by investment and speculation as to place it beyond the reach of the entrepreneur. The expansion process stops. The absorption of those who are displaced is checked. Unemployment mounts.

In all industrial depressions in the past it has been the level of wages that has eventually been clobbered, so offsetting the penal price of land and enabling industry to re-awaken. Ultimately, business confidence has returned.

But who can say that this will always be so? There could conceivably come a time when this process, with wages taking the rap for land speculation, will fail to work. At that stage the traditional cold-shouldering of the true remedy will have to cease. The government of the day will have no alternative but to do what should have been done long ago – to place a tax on land values, thus reducing, and perhaps eliminating, the attraction of land speculation and, at the same time, bringing down land prices.

If this is not done, the spectre of Britain's industrial demise, as conjured up by Mr. Bellini, could become cold reality.

1. James Bellini, *Rule Britannia*, London: Jonathan Cape.
2. Henry George, *Progress and Poverty*, Book V, Ch 2, New York: Robert Schalkenbach Foundation.