

ITEMS FROM OVERSEAS

INFLATION AND UNEMPLOYMENT

To the Editor, LAND & LIBERTY.

SIR,

Major-Gen. Fuller, in his letter to you, has taken me up on my statement that from 1919 to the end of 1923 there was no unemployment of importance in Germany. He himself remarks that on 1st September, 1923, there were 249,192 unemployed in unoccupied Germany, and that this number was rapidly increasing in the following months. But at that time the inflation was practically ended. In the summer of 1923 German commerce and trade began to sell all saleable goods at their dollar value. If a book was, under normal circumstances, worth a dollar, it was sold day by day according to the quotation of the dollar, to-day perhaps 300,000 marks, to-morrow 400,000 marks, the next day 500,000 or 600,000 marks. Even milk and bread and, finally, even postage stamps and railway tickets were sold every day at their dollar value. This made the inflation useless and enforced the stabilization of the mark.

It may seem a contradiction that in the time of the inflation there was work for everybody and yet there was want and misery. But this had its reason in over-employment. German railways employed during the inflation between 1,000,000 and 1,100,000 men. They worked with a heavy deficit but got it paid by the State. When the inflation was over, the railways had to pay their workmen and officials out of their earnings, and they had to dismiss about 400,000 men. It was the same with the post office and other public services, the post office decreasing its staff from 420,000 to 274,000 men. The Reichsbank and the State printing office, the Länder and the cities, had also to reduce the number of their employees. Private undertakings had to curtail their expenses in the same way. Before the war, rich Germany carried on its banking business with 110,000 officials and during the inflation the number grew to 375,000 men and women, though Germany had become poorer and had lost much capital by the war. The great industrialists, Krupp, Siemens, etc., told the public over and over again that in the time of the inflation they employed far more people than was necessary, that they needed 100 men for the jobs which were formerly done by 60 to 70 men, and there is sufficient testimony in German statistics to prove that this was true.

The reason for over-employment in times of inflation is the fact that there is always a seller's market, that you need not calculate and cannot calculate exactly the costs of production, since all prices are constantly changing. By selling at the dollar value in the summer and autumn of 1923, the exact calculation of prices, costs and wages became again possible and necessary; and it was necessary also to do away with all unproductive work and to dismiss millions of workers. After the stabilization of the mark, Germany had at first 5,000,000 workless, and the State was in such a plight that it could do very little to support them. But probably it was just the scarcity of public support which in 1924 made possible a rapid diminution of unemployment.

Zürich.

Yours, etc.,

GUSTAV BÜSCHER.

La Liberté Normande, published in Rouen, continues to give first-page prominence to Land Value Taxation and Free Trade in articles contributed by M. A. Daudé-Bancel and M. Pavlos Giannelias. In one of these, Daudé-Bancel describes interestingly the practical operation of land-value rating in various countries and names with honour several collaborators who, now deceased, helped the movement valiantly in France and Belgium, such as Sam Meyer and Henri Lambert. There are references also to articles written by Henry Ford in the *New York Herald* in 1927. Another article treats of "Georgeism and Agricultural Credit," urging the benefits farming would derive from land-value taxation.

Another periodical which gives Daudé-Bancel prominent and extensive space for his informing articles is *Nos Trois Couleurs*—Our Three Colours—published fortnightly in Strasbourg. This is gratifying publicity on which our co-workers are to be complimented. Meanwhile they are making every effort to resume publication in printed format of the journal, *Terre et Liberté*,

which lately began to reappear as a cyclostyled bulletin, and thus bring the French and Belgian Leagues into fuller activity. Interested readers of LAND & LIBERTY may communicate with M. Daudé-Bancel, 6 Rue de la Prévotière, Boisguillaume, Seine Inférieure, France.

We acknowledge with gratitude the kindly review which the *Henry George News* of New York gives to LAND & LIBERTY and the commendation written by Mr. Sydney Mayers, which runs to a whole column. Modesty forbids our reprinting such high praise, only remarking that it adds to our responsibility to maintain the standard so well approved by the writer. Heartily we reciprocate the compliments. With the invitation given by Mr. Mayers to subscribe to LAND & LIBERTY we invite our own readers to see that they get the *Henry George News* regularly, the address of which is 50 East 69 Street, New York, 21. It is a monthly publication. The difficulty meanwhile of remitting moneys from other countries to America may be adjusted by sending the necessary subscription (5s.) to ourselves.

The South African Agricultural Union, at its Annual Congress (Johannesburg *Star*, September 3rd), passed a resolution urging that all farmers be registered. The President of the Union (Mr. G. J. Rossouw) fought against it. Forced unity was unwise and to make of agriculture a closed corporation, a virtual monopoly was wholly objectionable—that was the burden of his argument. He concluded his protest in these words: "Is the good Earth to be reserved solely for the 'duly licensed' existing farmer and his children—and to such others as may submit to some 'statutory' apprenticeship or 'approved' training, at rigidly specified ages, in duly authorised establishments, as is now the case in so many urban 'closed shop' professions and trades? Is the Freedom of the Land, of life on the land, the birthright of every man to a bit of his own Earth, to be limited, stultified, frustrated and finally destroyed by a citified infection of control and regimentation? For humanity's sake, for the farmer's own sake, for the very soil's sake, one hopes not!"

But it is precisely this kind of thing which the British Labour Government's reactionary Agriculture Act has enacted, barring "outsiders" from agricultural pursuits. Wanting is a voice like Mr. Rossouw's in the British Houses of Parliament.

The General Meeting of the Sao Paulo (Brazil) Improvements and Freehold Land Company, held in London, was reported in *The Times*, October 30th. The Chairman's statement said that the present "stock of land" (!) developed and undeveloped, was 698 acres and stood in the balance sheet at the directors' valuation made in 1940 or at cost where purchased subsequently. Increases in value do not appear in the Company's accounts until a profit is realised. "Land," he said, "becomes enhanced in value not only by expenditure on development, which is shown separately in the balance sheet, but by the effect of nearby development and many other influences." Saul also is among the prophets. Here is the frank admission that landowners' enrichment comes by the efforts of others. Too bad that the Chairman should thus, in his own house, unmask the workings of land speculation and steal the land reformers' thunder. Surely that is *their* prerogative.

At the last Annual Convention of the Illinois State Federation of Labor, delegates of the Millinery and Capmakers' Union carried a resolution urging all unionists to wear hats and caps, "to provide work for 50,000 union members." This recalls the demand of barbers and their assistants that all manufacture and sale of safety razor blades should be prohibited. But a really domestic case was the strike last year in London of the Glassworkers' Branch of the National Furnishing Trades Association, who staged a strike by way of protest against a Board of Trade decision to permit a token import of processed glass from Belgium. The father of these ideas is the Protectionist fallacy, but the poison of the doctrine is making working men themselves the enemies and exploiters of their fellows. And, shades of Bastiat, the Candlemakers' Petition is still being signed by all too many mistaken persons.