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Here are two simple principles, both of which are self-evident:

I.—That all men have equal rights to the use and enjoyment of the elements provided by Nature.

II.—That each man has an exclusive right to the use and enjoyment of what is produced by his own labour.

There is no conflict between these principles. On the contrary, they are correlative. To secure fully the individual right of property in the produce of labour, we must treat the elements of Nature as common property.—*Henry George*: "Protection or Free Trade," chapter 26,

CHAOS IN EUROPE

Mr. Herbert Hoover, the Food Controller of Europe, is by profession a mining engineer. During the war he has handled some of the most complex economic and administrative problems with unparalleled ability, economy and success. His analysis of the economic situation of Europe would for that reason alone deserve attention, if it did not bear the internal evidence of a masterly hand.

Mr. Hoover sums up the difficulties of Europe in two words: "demoralized productivity." The population is 100,000,000 greater than can be supported without imports, yet 15,000,000 families are receiving unemployment allowances in one form or another. Production was never at so low an ebb; many articles formerly produced are now imported (especially food-stuffs); the lack of raw material imports is aggravated by the non-production of European raw materials.

The causes of this are detailed by Mr. Hoover as: (1) The demoralization arising out of the war and continued by the struggle for political rearrangements and the economic friction between the new governments of Europe. (2) The doctrine of limitation of output as a factor in increasing employment and improving conditions. (3) Relaxation of effort owing to physical and mental strain. (4) Destruction of equipment and tools and loss of organization. (5) The continuance of the blockade and shortage of transport.

On the other hand Mr. Hoover points to an outbreak of extravagance among those who have been enriched

by the war. The rise in the standard of living of large sections of the working classes is favourable from a human point of view, but adds to the difficulties of the moment.

The Western Hemisphere is incapable of meeting the deficiencies of production in Europe for any long period; and in any case Europe is already indebted to America, and further supplies from thence would simply involve the mobilization of fresh credits which would eventually have to be met from production and become a further burden.

The universal practice among all the countries at war of raising funds by the inflation of currency is now bringing home its burden of trouble. Either the currency must be deflated or wages must rise and the exchanges must continue to fall until an equilibrium is reached which will balance the increase in the cost of living.

The first and cardinal effort of European statesmanship must be to secure the tools and materials to labour and secure its return to work. The stimulation of production lies in the avoidance of all limitations of the reward of the actual producer. Attempts to control prices (apart from vicious speculation) are the negation of stimulation to production. If world markets are freed of restraint there is no such shortage to-day in any commodity such as to endanger life and health, thanks to the production outside Europe. All attempts at international control of price with a view to benefit the populations of Europe will inevitably diminish production abroad, and the reaction will be most felt in Europe. A decrease of 20 per cent. in the production of Western Hemisphere wheat would not starve the West; it would starve Europe. Control of price and distribution cannot stop with a few commodities. Once started, its repercussions drive into a succeeding chain of commodities. On the downward road of control there can be no stoppage until all commodities are under restriction and all production stifled.

Production cannot increase if political incompetence continues in blockade, embargoes, censorship, mobilization, large armies, navies and war.

Such, slightly abridged, is Mr. Hoover's analysis of the economic state of Europe. Now what is the remedy? It is easy to say in general language that "the economic resources of the Western Hemisphere and of Europe must be mobilized." What is it that prevents that mobilization? First of all, as Mr. Hoover indicates, a multitude of new or aggravated hindrances to production, war, blockade, tariffs, crippling taxation. Secondly, the monopoly of the source of raw materials—the land blockade, which stifles production before it has well begun. The policy which we have always advocated stands the test of the abnormal conditions now prevailing as well as it stood the test in the normally abnormal conditions before the war. To free industry of all trammels of taxation, to tax monopoly, to loosen the grip of the dead hand of the non-producer on the world's storehouse of raw materials is the only potent, practicable and effective means of increasing production while at the same time reducing the toll which the non-producer levies on industry.

F. C. R. D.