

A Visit to Switzerland

By PAVLOS GIANNELIA

AFTER four months of inquiries by French and Swiss authorities, I finally obtained permission to visit Switzerland. Compared with France it is an Eldorado where you see—and can buy—bread in the bakeries, sweets and chocolate in the *patisseries*, sausages and ham in the butchers, and so on. But compared with the Switzerland I knew thirty years ago—and even with the Switzerland of 1939 at the National Exposition in Zurich—the country now reminds one more of the dialogues of Gessler's soldiers, Leuthold and Friesshard, about reverence to empty hats, than of William Tell's dialogue with his son Walter about freedom and independence.

There are indeed restrictions in Switzerland; but while it is almost impossible in France and Germany to find anything besides the rationed food supplies, Switzerland has additional supplies, like potatoes, fine bread, chocolate, meat, and so on.

In addition, every Swiss and every foreigner who has been in the country more than three months, receives separate tickets for soap, clothes, shoes, etc.

The chief reason for this relative abundance is that five months before the war (April, 1939), every household was obliged to make an inventory of its principal food supply for two months. There was published a complete list of the amount of flour, rice, beans, condensed milk, and other aliments that each family had. These stocks were renewed periodically by each household, independently of the large stocks of the State itself.

To maintain this standard of living, all the land is now under the control of Dr. F. I. Wahlen, chief of the agricultural and economic section of the Ministry of Nutrition. According to his plan, every parcel of fertile land, even the lawns of the public gardens of Zurich, Berne and Geneva, must be exploited. Of the 2000 square miles of arable land, only 400 had previously been devoted to wheat growing. Now Dr. Wahlen demands that 1000 sq. mi. be used for wheat, 400 for other grains, and 600 for potatoes and other vegetables.

Together with this goes reduced production in other lines. In the cattle line, cows are to be reduced from 900,000 to 700,000, and oxen from 800,000 to 550,000; pigs are to be reduced from 960,000 to 540,000. Meanwhile, an intensification of dairy production is demanded; and horses and sheep are to be increased by 20%.

Thus Dr. Wahlen hopes to make Switzerland independent and self-sufficient as it was sixty years ago. He reproaches the last two generations for having neglected agriculture and concentrating mostly on cattle and dairy production.

To Georgeists, the danger in this governmental control is apparent. Some leading men in Switzerland also recognize it. There is Dr. A. Johr, for instance, president of the Council of the most important private bank, the Swiss Credit Bank. At a meeting of the General Assembly, Dr. Johr said: "Private initiative, more flexible, more personal and more adaptable, can often succeed where bureaus, more inflexible, acting more by routine, and more formal, fail. The State, embracing too much, finally injures itself."

As I have already emphasized in a previous article,* the chief reason for the high cost of living, as I see it, is in the high custom duties collected by the confederate government, and the almost complete lack of distinction between land and labor property in the cantonal systems of taxation.

It is astonishing that a country that has "no fuel, no coal, no iron, no gold" (a slogan at the Zurich Exposition) should raise 80% of its confederate revenue by custom duties which amount to 100 francs per capita. The reason for this is that every one of the twenty-five cantons, as a sovereign state, must be considered as the highest landowner; hence, there doesn't remain for the Confederation any other important source of revenue than the custom duties and similar measures. It was only due to the threat of war that the Confederation decided to "violate" indirectly the sovereignty of the cantons, by imposing *octrois* on a certain percentage of the cantonal income and property taxes, part of which are derived from land values.

A people with a finely developed sense of justice and freedom, like the Swiss, tends instinctively toward legislation that divides the tax burden equitably, deriving most of the revenue from benefits that the citizens receive from the community, and falling as little as possible upon labor, skill and initiative. It is characteristic of the conscientiousness of the Swiss that many cantons publish the complete list of figures of the revenue collected by the tax gatherers from the taxpayers! But knowledge of the distinction between land and improvements, a necessary step in equitable fiscal reform, is quite unknown to the Swiss.

During my sojourn in Switzerland, I investigated the land value assessments, and found them inept for immediate taxation purposes. The Peasant Secretariat uses in its statistics separate categories for "inventory" land values and "yield" land values. The inventory land values are based on selling value, and therefore vary with the intention of the landowner to buy or sell, and with conditions in the market. (Inventory land values vary from 20% to 300%

*"Impressions of a Georgeist in Switzerland," LAND AND FREEDOM, November-December 1939.

of the average land values!) The yield land values are calculated every year by capitalizing the net yield during the year, the fluctuations thus depending upon the actual yield. However, it is surprising to find that the fluctuations of the yield land values are greater than those of the inventory land values.

The following two tables show the comparison between yield and inventory values in the various land holdings for 1939, and the average of these two values for the years 1901-1938. The figures of the values are in francs per acre.

I. 1939						
Sizes in acres	7-12	12-25	25-37	37-75	Over 75	Aver.
Inventory land value	1570	1280	1190	1030	950	1200
Yield land value	600	760	960	1080	860	890
Proportion of yield to inventory value	38.5%	58.3%	81.5%	105%	91.5%	75%

II. 1901-1938						
Sizes in acres	7-12	12-25	25-37	37-75	Over 75	Aver.
Inventory land value	900	700	620	570	465	670
Yield land value	515	615	710	700	605	670
Proportion of yield to inventory value	57.5%	91%	116%	123%	132%	100%

These two tables demonstrate two things. First, that the proportion of yield value to inventory value varies with the size of the holdings; it is small in the small holdings, increasing with the size of the holdings. The falling off of the inventory values in the large holdings indicates the tendency of small land holders to exaggerate the value of their land, the reason for this being the difficulty and desirability of acquiring money to purchase larger estates. On the other hand, the ascending trend of yield value with the size of the holding indicates that the larger estates can be used more profitably. In a large holding, single plots can be more easily subdivided for different forms of production.

The second thing demonstrated is that these differences are partially compensated in averaging many years together, although the above-mentioned trends for the different sizes do not disappear altogether. (The two averages for yield and inventory values for the years 1901-1938 both happen to be 670, but this, of course, is a coincidence.) These averages give important means for the impartial assessment of true land values throughout the country, excluding the skill of the workers and accidental conditions. This method ought to be adopted and extended by the Peasant Secretariat (which already has the respectable number of 15,000 different assessments), so that the value of every plot of land becomes a matter of public record.

And then—the confederate government and the twenty-five cantonal governments, and the one million voters, must be persuaded of the utility and equity of a single tax on land values. Certainly it is much easier to decree restrictions . . . But is the effect the same?

Georgeism—A Planned Economy

By ROBERT C. LUDLOW

IN the March-April and November-December 1940 numbers of LAND AND FREEDOM, I expressed the hope that Thomists and Georgeists would find it possible to resolve their ideological and practical disagreements and mutually utilize the suggestions each school offers toward the solution of our economic problems. The foremost obstacle mentioned was the "mind-set" of each group—which results in the "planned economy" outlook of the conforming Thomist and the "unconscious cooperation" of the Georgeist. It is the bruited denial of freedom of the will in the economic sphere that would make the Thomist hesitate. But, granted misconceptions of this kind be overcome, there still remains the question of the will and its place in political economy. And if, with the Thomist, we admit volitional freedom, the further question remains: Does this freedom mean freedom to direct economic life, or does this life remain outside the domain of the will? And does a denial of freedom from economic law (except at a penalty) posit a mechanistic conception of man?

We must satisfy this Thomist notion of volitional freedom—we must show that we too believe in man capable of guiding his own destiny and not altogether at the mercy of impersonal forces. But then the difficulty presents itself—how can we reconcile this belief in man with the Georgeist notion of impersonal economic law? Must we not, in justice to man's hierarchical rank and in recognition of his freedom, postulate a planned economic system? A Thomist might complain: Wherein is the Georgeist ideology superior to that of the Communist or Fascist? Does it not enslave man to an ironbound system of so-called natural economic laws? Instead of allowing man to hold his economic life before him and arrange it intelligently, would not Georgeism compel him to leave all things to impersonal laws so that economic life is relegated to the unconscious? In a word, does not the whole Georgean concept degrade man, make him a mere pawn incapable of conscious control over his life—is it not a system of thought congenial to materialism, determinism, fatalism?

On the surface it would appear a damning indictment. Indeed, there are extremely individualistic Georgeists to whom such an indictment would be applicable. Man, they repeat with the laissez-faire capitalists, must pursue his own self-interest, he must not directly work for the common good. Economic life is like the stomach, if you pay attention to it, it works badly—so leave it to natural immutable laws. Conscious cooperation, that civilized concept, we must put from us—each for himself, and then, through some jugglery of "natural economic laws" this "enlightened selfishness" will heave up communal good.