

## France Returns to the Soil

By PAVLOS GIANNELIA

MARSHAL Petain has said: "The only wealth you possess is your labor . . . France will become again what she should never have ceased to be—an essentially agricultural nation. Like the giant of mythology, she will recover all her strength by contact with the soil."

To realize this return to the soil, we meet again the demagogical measures which—because of their appearance of justice and patriotism—have been tried in every country where the leaders have aimed to substitute "governmental direction for the play of individual action, and the attempt to secure by restriction what can better be secured by freedom" (*Progress and Poverty*). Why should these measures, which have failed everywhere else to bring practical results, have more chance of realization in France?

Here are some of the regulations that have been imposed since the proclamation of the new Constitution: The price of wheat is fixed (100 kilograms, 214 francs). The hiring of foreign manual labor is limited. Gangs of young people are being organized to work on farms. Industrial establishments must dismiss workers formerly employed in agriculture, in order that they may be returned to the farms.

In addition to the numerous regulations (there are 700 decrees!) a vast program of public works has been undertaken totalling \$350 millions (18,000 million francs). The program includes draining and irrigation projects, construction of railroads, telegraph and telephone lines, 2500 bridges, the setting up of electric power stations and the electrification of the lines Paris-Lyon, Brive-Montauban and Bordeaux-Nimes.

Besides these official decrees, there are many unofficial proposals in the severely censored press. The following, in *Le Progres de l'Allier*, is typical: "There should be no difficulty in providing dwellings. A law, declaring every house deserted for more than five years and every field deserted for more than three years, to be common property and assigned to a new proprietor, would take care of the situation and would not be objectionable." *Paris Soir* has this to offer: "For the clearing of seven million hectares (17½ million acres)—twice the area of the Netherlands—ploughs and man-power are not always enough. A great many fields are arid, and workers should not desert the rich fields to take care of the poor ones. The sheep would make an efficient and gratuitous agricultural worker. After the flock has enriched the soil, the plough can turn it and the sower fertilize it. One shepherd and 500 sheep can do more for the clearing of the soil than ten ploughmen and a trainload of chemicals!"

We could continue to enumerate all the decrees and proposals; but enough has been given to show the spirit that prevails. All these measures are well-intentioned and derive

from the urgent necessity of contending with work stoppage and poverty. A glance at the facts will show the urgency of present conditions. France, which is considered a rich and fertile land, is suffering in a high degree from general depopulation, the density being 200 inhabitants to the square mile. Her neighbors have a much greater density per square mile—360 in Italy, 600 in the Netherlands, 660 in Belgium, and 1130 in Western Germany. Especially serious is the desertion of the rural districts, as illustrated by the following: A village in the fertile plain of Forez had, in 1896, 326 houses and 1250 inhabitants; today it has only 210 houses and 710 inhabitants, the number of cultivators falling from 190 to 136. No wonder the traveller meets everywhere deserted houses and fallow bramble-covered fields! No wonder there are three million square miles to clear!

The facts are undeniable. And the necessity to contend with poverty is also undeniable. But are the proposed measures really adequate? Has there been any attempt to elucidate the causes of France's present woes? Let us point out the objectionable features of some of the decrees and proposals.

When the State fixes the price of wheat, who is paying the difference between the fixed price and the world-market price? How can the taxpayer, charged with this excess over the world-market price, benefit financially?

When an employer hires a foreign worker, it is either because that worker is cheaper than native labor, or because he possesses knowledge and capacities unknown to the native. In either case, the restriction now imposed upon foreign labor brings a rise in the price of commodities, and an extra burden on the consumer. The same is true of the disbanding of industrial workers and their reemployment in former occupations. If the employer needed them, he would hire them without official enforcement. If his business does not need these workers, then the obligation to employ them is a palliative, which will probably result in the bankrupting of many enterprises.

As for the deserted houses and fields—what is the probability that the newcomer will succeed on the soil where the last occupant failed? And certainly the supporter of the sheep proposal is quite right when he says that the rich fields should not be neglected in order to work on the poor fields. (As for this sheep proposal, incidentally—just between us—neither 500 sheep nor one sheep are gratuitous in France!)

I have only suggested the flaws in the present measures. The chief objection is that none of them goes to the root of the difficulty. Before any reform can be attempted, the causes must be examined. There are Georgeists who assert that speculation and the speculative withdrawal of land is

the sole cause of all the evils. As I see it, the burdensome taxes that are now imposed are also causing much of the difficulty.

The land prices alone cannot be responsible for the idleness of the land. The price of agricultural land inside the margin of production averages 3000 francs per hectare (\$30 per acre). Such prices are not so much a hindrance as are the unjust tax burdens imposed on the use of land. The taxes increase relatively in *inverse proportion*, to the income—that is, increasing as the income decreases, thus falling much more heavily on the poor than on the rich. There is a tax of 5% on the under-assessed value of agricultural land, but the salutary effects of this are greatly offset by the huge burden of indirect taxes.

Every French estate today is a living illustration of the discouraging effects of the present taxation methods on production, as emphasized by Henry George: "The manner in which equal amounts of taxation may be imposed may very differently affect the production of wealth . . . Taxation which falls upon labor as it is exerted, wealth as it is used as capital, land as it is cultivated, will manifestly tend to discourage production . . . The present method of taxation operates upon exchange like artificial deserts and mountains. It operates upon energy, and industry, and skill, and thrift, like a fine upon those qualities." Causes other than land speculation led Henry George to formulate his remedy for poverty in the following words: "Abolish all taxation save that upon land values."

There are official decrees in France today that graze the truth. For instance, in October 1940, the government abolished the custom duties on horses, cattle, poultry, meat, dairy products, grain, and many vegetables. In November, the following was decreed: "Inheritances up to half a million francs are totally exempted from taxation, when there are more than two minor children to inherit."

I ask: When the Minister of Finances has acknowledged that custom duties are a handicap to the welfare of the people, why not suppress all the other duties, which have the same effect? If the propriety of abolishing taxes on small inheritances is seen, why not also look to the other taxes, especially the indirect taxes?

In 1940, forty-two million consumers paid 43,800 million francs in indirect taxes, as compared with the 1937 figures of 37,100 millions. The four and a half million taxpayers paid 14,000 millions in direct taxes in 1940, as compared with the 1937 figure of 37,100 millions. Is the increase of 244% in the direct taxes, as compared with the increase of only 18% in the indirect taxes, an indication that the bad effect of indirect taxation has at last been recognized?

One thing is certain: A change for the better cannot be expected unless the government imposes a tax on land value, restoring the real land value, and gradually abolishing all other taxes.

## Is It Twilight or Dawn?

By J. L. BJORNER

(From *Grundskyld*, October 1940. Translated by Grace Isabel Colbron.)

FOR those who enjoy their pessimism and embrace their worries, the time we are now living in is a rather good time, and no one should prevent them from being as worried as possible—provided they keep their pessimism for themselves and do not force it on their fellow-mortals. But for folks with a more wholesome point of view, it is good to look our times right in the eyes, to weigh advantage and disadvantage, and try to find some little profit in the accounting.

One thing can be looked on as gain, and that is that we are living in a very interesting epoch—an epoch that can teach us much.

Most people can now see what many Georgeists prophesied—that the Versailles Treaty was a bad mistake. The new boundaries drawn up in Versailles may in some cases have been better than the old ones in that they paid more heed to language and ethnographical boundaries, and the League of Nations was a step in the right direction. But the demand of the Entente Powers (especially France), that the more than two thousand miles of new borders should be *tariff* borders, tore the Versailles Peace in tatters. Tariff is war—and war always results from it. This was one of the causes why Germany, for instance, and also England, were cheated in the disarmament issue; but it was the tariff which the munitions industry knew how to play as their trump card. That is how we can best summarize the position of today. And what now?

The war in Western Europe may be looked upon as over, for the moment. But can it not extend itself still further towards the West? Most certainly. There is space enough for a Thirty-Years' War for the sovereignty of the Atlantic Ocean, and still further—but that is probably too big a mouthful for the war industries. And the people themselves may become weary of the war. The strongest probability is that the war will cease in a relatively near future. And then we'll have "peace"! Nothing more?

"Peace is not the best thing one could wish for." We should not struggle merely to keep peace. There's peace in the churchyard, the peace of the grave. Life cannot be supported on peace alone. The opposite of war is not merely peace, but co-operation, just as helping one another is the opposite to killing one other. Not just peace, but free trade, is the true opposite of war. Down with the barriers, then—which means, down with the tariff!

What are the chances?

After France's collapse the government of Marshal Petain sent out the word: "France's recovery will come