

The assumption that it is possible to prevent or cure unemployment by monetary means is not a new thesis with Mr Keynes but we need not digress to discuss it here.

The foundation of these proposals in the end is the disagreeable fact that the economic position of the majority of the workers of this country is such that it is difficult for them to save any substantial part of their incomes and that if they receive any addition to their incomes they are inevitably driven to spend it. To combat this Mr Keynes proposes that they shall compulsorily be prevented from spending a certain fraction of their incomes during the war. This proposal does nothing to alter the conditions which cause such acute disparity in the distribution of wealth. The suggestion that the repayment of the forced loan will result in increased spending (which will prevent a post-war slump) is in

itself a confession that the condition of the working classes will remain substantially the same after the war, and that they will not be able to keep their forced savings but will be obliged to spend them. It would be false, therefore, to conclude that this plan will alter the distribution of wealth by leaving a larger proportion of the capital of the nation in the hands of the working classes than they had before. This is only likely to happen to a small extent. Whether the distribution of wealth becomes more equal or not depends, therefore, mainly upon whether the taxation imposed either during or after the war is of such a character as to make the distribution of wealth more equal or not. That is an elementary conclusion which could have been reached directly. It is the permanent problem of national finance to which it seems Mr Keynes has very little contribution to make.

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THE LAND PROBLEM IN PALESTINE

TOWARDS THE middle of last summer the Government made proposals which in its opinion would secure a peaceful development of Palestine. The principal features were that a defined maximum of Jewish immigration would be permitted for five years, and thereafter an independent administration would be set up. This plan met with considerable criticism in this country and was disapproved by the Mandates Commission of the League of Nations.

On 28th February the Colonial Secretary, Mr Malcolm MacDonald, announced that the Government had authorised the High Commissioner for Palestine to issue regulations "controlling the transfer of land from Arabs to non-Arabs in certain areas." The regulations were made retrospective to 18th May, 1939, when the Government's previous declaration of policy was made. The text of the regulations disclosed that they prohibited the sale of land to Jews in the major part of Palestine; in a further large area sales to Jews could only be made with special authorization; and in only a small portion could sales be made unconditionally. In the debate in the House of Commons on 6th March it was stated that the area in which free purchase was permitted was only 2.6 per cent of the whole area of Palestine.

The Government's excuse for this policy is that "if land sales remain unrestricted there is likely to arise a 'landless Arab' population of such dimensions that it will be extremely difficult to find any solution for it." It does not seem to have occurred to anyone that the landless Arab problem is already in existence. Large areas of land are held by Arab landlords and the other Arabs exist only by permission. A Statement of Policy issued by the Government in 1930 declared that "of the 86,980 Arab families in the villages 29.4 per cent are landless."

It is admitted on all sides that Jewish immigration had led to rapid development in Palestine and that the productive capacity of the country has greatly increased. That is, in a sense, the cause of the trouble. The value of land has increased by leaps and bounds. It is fetching highly speculative prices which on the one hand induce the Arab landlords to sell and on the other burden the Jewish purchasers with a heavy load of unproductive indebtedness.

This country as the administrator of Palestine under

the mandate has pursued there the same pro-landlord policy as is adopted at home. Instead of putting a stiff tax on land values in order to prevent speculation and to secure that the value created by the community should be shared by all its members, heavy customs duties were imposed upon many essential commodities. Again following British precedents, in order to relieve the cultivators ground down between high land values and heavy commodity taxation, they reduced the Turkish Tithe, House, and Land Tax with the inevitable result that so far as these taxes fell on land value the landlords reaped the benefit.

These and many other facts emerge from the Report of the Royal Commission in 1937 (see the summary in our issue of September, 1937). It gives numerous examples of the almost fantastic increase in land values, and shows that in many cases the Arabs have become landless because the land has passed out of the hands of the peasants into that of the large Arab landowners. The prohibition of the sale of land to the Jews will not cure that, any more than it could cure the landlessness of the people of this country. There is only one remedy and that is to make *all* the people of Palestine co-proprietors of the land by taking its value for public purposes.

A Consumers' Union has been formed by Mr Wm. C. Ross of Edinburgh, the prospective Liberal candidate for Lancaster. Leaflet literature has been printed for distribution. The Union is an association of householders and electors for the purposes of: (a) taking combined action to get food taxes and quotas removed and to reduce the cost of living; (b) taking combined action to raise and to maintain the standards of quality of foodstuffs; (c) taking combined action to remove the restrictions on the production, distribution, and price control of foodstuffs and other necessities; (d) collecting and distributing information on the sources, supplies, distribution, and prices of foodstuffs, and other necessities; (e) using the combined forces of the Union—as consumers and purchasers—to achieve its purposes by organized political and economic action. The headquarters of the Union are at 37 King Street, Lancaster.

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I bequeath (free of duty) to the United Committee for the Taxation of Land Values, Limited, the sum of £.....