

sufficient driving force will be available to enable a real policy of free trade to be carried out, resulting in the replacement of tariff taxation by the taxation of land values. The nation that adopts this policy will be able to sweep away not only its protective tariff, but also all purely revenue duties. It will apply to those who hold land out of use a pressure which will compel them to allow it to be used. It will thereby make free for its citizens the opportunity of employing themselves remuneratively and producing wealth. It will thus destroy the fear of foreign competition which is the basis of the tariff system and one of the factors undermining the peace of the world.

We may hope that the Government of this country, which has done so much for the other aspects of world peace, will ere long show the world some positive achievement in the economic field.

F. C. R. D.

BARGAINING FOR EMPLOYMENT

There are two main avenues which lead towards industrial prosperity. One is increased home production, and the other is an ever-widening market for the exchange of commodities. This reflection arrives as we read the narrative related by the Right Hon. J. H. Thomas, M.P. His colleagues of the Labour Party appear not to have been very much impressed by the recital of his accomplishments, and it is doubtful if many in that audience, or in the greater number outside, cherish high hopes as regards the outcome of his mission to Canada. It all sounds so commonplace—deliberately so, if we may be allowed to interpret some hints uttered in the business-like tone of the Chamber of Commerce or the Stock Exchange. To paraphrase: Rome was not built in a day; unemployment is a problem of long standing; more women are in employment to-day than before the war; population has increased; machinery has multiplied; and there is no short road to prosperity. The glamour of Empire was in the alleged solution. We had helped Canada with orders; let Canada be grateful and help us. Just how much more or less we might expect of the same sort from Whig or Tory we do not pause to consider.

The administrator has his function to perform. His concern is not with individual orders, but with trade and commerce as a whole. Unlike the commercial traveller, he has the interests of a whole community and not the interests of individuals or groups to consider. Representatives of firms have the duty of finding orders to keep the workers for their own firms in employment. That is their every-day, work-a-day individual responsibility. The consequences which follow the orders they obtain are matters of wider significance. It may be that such orders employ one group of workers by depriving another group of employment. As a citizen the commercial traveller may give passing, or much, thought to such questions, but his individual duty urges him to concentrate the bulk of his energies on matters relevant to himself and the people most closely associated with him. It seems an abuse of statesmanship to copy his methods when seeking a solution of wider problems, hence

we stifle a yawn as we visualize the sample cargoes of coal and the steel bars carried over to impress commercial magnates on the other side of the Atlantic Ocean.

Critics of the Empire commercial traveller were inclined to remind him that production was not so much the problem as consumption. Such production as we have now is not swept into the net of the general consumer. Much of it has a halting way in the distribution, and some of the more perishable commodities return to Nature ere reaching the consumer. Purchasing power is lopsided; some people appear to have too much and other people too little. The luxury trades do not appear to languish. Motor cars, furs, jewellery, gramophones, wireless instruments, silk garments and amusements all seem to maintain a good clientele. Farming languishes; coal mining is at a low ebb; house building could be accelerated; shipbuilding is not too busy an occupation; cotton is heavily hit, and the woollen industry could stand to be much more prosperous. Mention might also be made of hats as well as boots and shoes. These are certainly not over-produced, and a lot more could be consumed if only there were effective demand and more widely distributed purchasing power.

Time and place are great considerations in all discussions. Employment is scarce now, but the signs are good, say the politicians when in power. The same politicians in opposition usually bewail the signs of the times. We cannot find you employment here, say the administrators, but we will help you to find your way overseas is the expression of a modern policy. Matters will look different next February, for we have set aside ten million pounds for one type of road, and eight million pounds for another type. In the light of cold facts which we are asked to consider, that means—if it eventuates—employment for seventy-two thousand people, and we have learned to think of unemployment by the million. Next February we may be getting orders for coal and steel which are now going to America. If the consummation of that idea fulfils all the anticipated implications (as it will not do), we will be more and America will be less prosperous. The argument is fallacious in as much as it follows commercial or business economy and not political economy. It argues from the particular to the general and falsifies its conclusions. Statesmanship gets lost in salesmanship and high hopes are born only to be blasted. It is in the interest of world peace that no such thing can happen, for we could hardly expect to remain neighbourly and friendly with America if the building up of our prosperity meant loss of trade to it.

We have the dictum of a leading financial authority to the effect that every loan which is granted extends credit. Obviously he means credit instruments. Such loans put money into circulation and call forth the aid of capital in production. There is a way by which real credit can be enlarged and that is by increased production. Before we can approach that ideal we have to broaden out opportunities for production. We have to make use of the raw materials which lie ready to our

hands in the land of our own country. If we wish to take legitimate advantage of the raw materials in other countries we can do it by widening, and not by narrowing, the circle of exchanges as is proposed by our Lord Privy Seal. Suppose he is successful in bringing orders to Britain that formerly went to America, that means that fewer Canadian bills of exchange will be circulating in America and more of them in Britain. If we get too many of them we will have to part with them at a discount and raise prices in order to recover our losses. Possibly we might be able to sell the surplus to America if she has Canadian debts to pay owing to imports having exceeded exports. Whether we get American goods or American money for such bills in the first instance will not matter; we will require to take American goods in the end and so do what we are asking Canadians to stop doing. Thus our statesman turned commercial traveller might just as well have played at being King Canute or Mrs. Partington. When the Prime Minister is in America working for Peace and Disarmament, his principal lieutenant should hardly be talking of capturing American trade on the kith and kin plea. Why should Arthur Henderson, M.P., try to open trade with Russia, while J. H. Thomas tries to close it with America? That way lies not peace, but a sword. It changes the kind of employment but adds nothing to its volume. Commercial travellers are in their wrong place as statesmen.

Our principal industries are not affected very much by foreign competition in our home market. House building is very little subject to competition from abroad. Coal is subject to competition only in foreign markets. Even Tories shy at the proposal to protect farming, and we have yet to hear of large imports of woollen or cotton goods. Ship-building can be carried on by home- or foreign-made steel, provided the price of the steel is not so high as to cause the order to be lost. If the price reaches that point it is not a question of employing ship-builders, but of discharging steel makers. The roads on which the millions are proposed to be spent is a home industry. If we give first attention to home industries, colonial and foreign trade and exchange will almost take care of themselves. If the statesman gives his attention to home trade, the commercial traveller and salesmanship will solve the problem of colonial and foreign trade. Millions of people need houses, not to speak of other necessities, and a million people are in need of employment. Production is checked in some way, as everyone will admit. In what particular way it is checked is the business of the statesman to find out.

There is, as has been mentioned, for it requires no demonstration, a need for many kinds of commodities. But there is no effective demand for them by the needy who have not the power to purchase. Supply is said to exceed Demand, which is no explanation at all. The whole question is one of Supply. As soon as an individual is permitted to supply something, whether it be a commodity or a service, he is put in the position of acquiring purchasing power. The only thing that can check supply is overcrowding or monopoly.

Let the statesman decide which of these evils he is called on to tackle. If overcrowding, his remedy is obvious—Emigration. Should it prove, as we feel confident it does prove, to be monopoly, then let him throttle the monopoly and not permit it to injure the community. Let us turn our thoughts to next April and what a Labour Government can do with a Budget. May we suggest that the expressed determination to deal with land monopoly at the earliest opportunity will cause monopolistic interests to become wary and loosen their stranglehold on industry. One Peer is already out with a scheme for nationalizing land by instalments. Let there be further fluttering in the landowning dove-cots. We can nationalize land values by instalments. Having derated industries we can proceed to the derating of houses; to the untaxing of petrol and the development of transport. Let us have provision for land values taxation before we spend the money on roads and increase land values all along their frontages. Destroy famine prices for industrial land by requiring the owner to pay rates and taxes on its value. Make land available for use. Then houses will be built, food will be grown, coal will be mined and steel will be made, for it is a factor in almost every industry. But do not let us build up false hopes of trade we may capture at the expense of some other nation next February. If industrial prosperity is to come, it will come not on account of any such calculations.

W. R.

From *The Times* of 1829 (9th September): There were passed in the last session of Parliament . . . 268 Acts. Of the private Acts . . . 23 were for enclosing commons and waste land in different parts of the country. How far the kingdom has been really benefited by the extensive enclosure of common lands during the last 20 years is a subject of very great doubt to many intelligent and observant persons. The question is ably discussed in an article inserted in the last *Westminster Review*, the writer of which argues, and supports his argument by a reference to facts, that where the peasantry enjoyed the right of commonage, they were more comfortable and more industrious than in those parts where they were deprived of that privilege. In the former, the poor-rates were invariably lower than in the latter.

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