

And Germany, by her insane self-sufficiency economy under Hitler, plus the restrictive policy which England and France have directed against her since 1918, has neither self-sufficiency nor accumulated claims on production. Her recourse in her present extremity, then, is to take by force the production of workers in neighboring countries, to say nothing of the production of her enslaved workers.

That life is dependent on continuous production, that accumulations of wealth are necessarily inadequate, is demonstrated by the food-rationing instituted by the belligerents at the very outbreak of war. Upon the mere threat of a curtailment of supplies, the first instance of interference with production, the economies of the peoples required careful nursing.

This observation arouses a collateral thought. If the effect of a blockade is to starve the enemy, what is the effect of a protective tariff?

### England's War Saboteurs

War is the ultimate in planned economy. The individual ceases to exist, save as an instrument for the execution of the plan. Civil rights and property rights cannot co-exist with a military blue-print. The enjoyment of living is submerged in the struggle for life.

That is as it should be—if war should be. Every element in a nation at war, it is presumed, completely loses separate existence; every person, every economic resource, every bit of energy at the command of the nation becomes a factor to be used without question in the pursuit of victory over the enemy. In theory, there are no exceptions.

But in a recent news item on the powers which the British Government has attained for itself in the past year, there appears (innocuously) an exception to this theory which throws some light on the very cause of war. The item reads: "Any property or any undertaking whatsoever—except land—may be seized at any moment's notice by the Government. (The emphasis is ours; and we omit, as too obvious, the list

of property and civil rights which the King may by decree abolish—a list long enough to obscure this important exception.)

What is there so sacrosanct about land, the source of supplies necessary to the existence of the nation, that it must not be taken over by the nation? Why is the property of the landed aristocracy exempted from seizure? Is it possible that this exemption was the price demanded by them for such participation in the war as they (through their accumulated rent fund) may offer? Would war have been declared if this exemption had not been made? Whom are the English workers fighting for?

### Some War "Profiteers"

Foreseeing continued stimulation of American business as a result of the war abroad, the Real Estate Board of New York, in the monthly market review which features its October bulletin, warns of the violent reaction in security and commodity markets which would follow any sudden cessation of hostilities, and avoids any prediction of immediate gains in real estate activity.

The board points out that "any improvement in realty values and activity" must follow expansion by "stimulated industries" and notes in this connection that there "must be taken into consideration the available supply of rentable and salable area—the amount of vacancy to be absorbed before new demand can have effect upon rents or prices."

They may never have heard of the Law of Rent, but they evidently know how it works.

"There also is the possibility," the bulletin continues, "that a fear of inflation brought about through rising commodity prices may cause investment funds to seek haven in realty ownership."

Because the supply of land, at any given period, is a fixed quantity, and demand is constant or increasing, and because rent bargains are normally made monthly or annually, inflation will not affect its economic value. The value of wages and of interest will be adversely affected for some time by a lowering of the

value of money, for the wage bargain is adjusted slowly on account of unemployment and the interest bargain on account of idle capital. But rent, except when it is fixed by long-term leases, will be increased promptly so that it will represent the same share of production it represented before inflation, plus an additional share it will claim as a safe refuge from fixed investments like bonds. What the board insinuates is that realty investment is the "hedge" against the danger of inflation due to high commodity and security prices.

The report notes that unfortunately there is no statistical information enabling comparisons with the 1914-15 situation, for at that time there were no reports of open market sales, new mortgage loans, foreclosures or occupancy ratios, such as are now compiled by the Real Estate Board of New York. The report states that "the best that can be done is to estimate the probable indirect effect of the war upon urban realty through its likely direct effect upon the key industries which make or mar business."

What this means is that in 1914-15 the technique of land speculation, the statistical information bearing upon the probable need for land by productive enterprise, was not so highly developed as it is now. The inference is that now a speculation movement will be better informed, will be quickly responsive to demand, and may as quickly overrun its course.

In addition to war orders from abroad the board notes our own expenditures for armament, which it says "may furnish the stimulus needed to bring about general business revival." Noting successive mammoth increases in recent Federal appropriations for national defense, the board states:

"The American public appears to be convinced that the only neutrality which can be successfully preserved is an armed neutrality. With public opinion in such a state, Federal expenditures for national defense may be expected to increase."

Asserting that "in such event our armament industries and others contributing to the manufacture of