

quickly, the economic barriers which prevent the movement of goods and services to the areas which most need them from the areas which can best supply them must be abolished. So

also must the barriers be broken down which prevent men from using the earth, the only and indispensable source of all wealth. These and these alone are the essential means of solving

the economic problem. All else is at best palliative, and more probably positively evil as perpetuating the restrictionism which has afflicted the world between the two wars.

AGRICULTURAL POLICIES — LABOUR, LIBERAL AND CONSERVATIVE

DURING LAST year the Conservative, Liberal and Labour Parties have published pamphlets on their agricultural policies.* The most remarkable feature of these statements is not in the differences between them, but in the large measure of agreement. It is true that the Tory statement disapproves of land nationalization as a principle, but agrees with the Liberal that there is a case for State acquisition of land which is being badly used, while the Labour advocates purchase by the State of all agricultural land, but seems prepared to have this carried out piecemeal. Moreover, the emphasis in the Labour statement is not upon the principle that the land is the heritage of the whole human race which no one is entitled to monopolize—a principle that would not necessarily lead to State purchase—but upon the ground simply that ownership by the State would facilitate control by the State.

It is indeed the idea of control which underlies the policy of all three parties. The object to be achieved by this control is also largely a matter of agreement. It is to raise the prices of agricultural products, although they prefer to call this "stabilization of prices," or "fair prices," or "reasonable remuneration," or "just prices."

The means to this end are also largely agreed. There are to be marketing boards, and import boards, and tariffs. The Liberals, for instance, give away the principle upon which they combatted protection for more than three generations when they say that "so long as import duties are levied upon most manufactured goods, agriculture has a claim to a corresponding degree of State assistance." The Tories say that agriculture "asks for what most other industries already possess, and what, after the war, it may safely be predicted, all will insistently demand." The Labour Party says there must be "a comprehensible system of imports control" because "it is impossible otherwise to have an industry that can provide good wages and attractive working conditions to those employed in it and be alert and progressive."

There is thus unanimity in the view that this industry cannot survive unless legal power is conferred upon it to raise the price of its products to the consumers. Nor is this conclusion modified by the suggestion that consumers will be represented upon the agencies by which the policy is to be

carried out. We all know that the consumers will be impotent, because the foundation and the framework of the policy is to set up an organization for raising prices, and it would be stultified if the consumers had an effective voice to prevent this.

We have mentioned that the Labour Party statement includes a declaration in favour of land nationalization by purchase in a piecemeal fashion from time to time as the government may determine. But this obviously is not an essential part of its agricultural policy. It is an echo of past declarations, introduced perhaps to salve the conscience of ardent nationalizers. Its only bearing upon the general line of policy is that it gives the State an additional means of subsidising agriculture by, as landlord, reducing rents—a subsidy, like all others, to be borne by the general body of taxpayers and consumers.

Now what is to be said of this formidable consensus of opinion in all parties? Does it mean that in fact a solution of the problems involved has been attained? If the question is to be settled by a counting of heads and not by logic and economic science, then there would seem to be an end of the matter—except that it does not appear that the heads of the consumers, the vast majority of our citizens, are to be counted.

Or is it the case that the real issues have been obscured and evaded under a cloud of meaningless phrases? What does the preamble to the draft international Wheat Convention mean when it talks of "national and international measures for the regulation of wheat production in both exporting and importing countries, for the orderly distribution of wheat and flour in domestic and international trade at such prices as are fair to consumers and provide a reasonable remuneration to producers, and for the maintenance of world supplies which shall at all times be ample for the needs of consumers without being so excessive as to create a world burden as unwanted surpluses"?

What is a price which is fair to consumers and provides a reasonable remuneration to producers? Where is the formula by which this is to be tested? Let those who think that they have the ability to plan not only the domestic economic affairs of their own countries, but those of the whole world as well, produce this formula. Let us see what is its essence and how it would work.

What are the needs of consumers? and what are unwanted surpluses? Can any formula be devised by which these things are to be measured and determined? If so, let it be stated. If

not, then we may fairly draw the conclusion that these plans, like many which we have seen in the inter-war period, are devices for raising prices for the benefit (so it is hoped) of producers, and that the consumer will be left bereft of the one thing which so far has protected him—free competition between producers.

The whole approach to this problem is fallacious and deceptive. Agriculture is not one single coherent whole. The industry of agriculture is made up of millions of persons, producing many diverse things under the most diverse conditions. Let us take this country as an example. During the war agricultural production has of necessity been raised to a high level, but at a very heavy cost to taxpayer and consumer. Is it intended that this industry and every unit of it should be maintained at its war-time level or at its pre-war level or what? And if at its war-time level, why should not the producers of tanks, or guns, or other things of which the production has had to be expanded, also be entitled to have their industries maintained at a war level?

The approach to the problem is fallacious because it ignores the very first principles of economic action and of rational thought about economic questions. The whole object of economic activity is an adjustment of means to ends with the object of securing for the members of society the maximum satisfaction of their needs that can be got from the resources at their disposal. One set of needs cannot be treated in isolation. The need for food has to be related to the need for clothing, house-room, leisure, amusement, education and many others. And each of these categories covers a multitude of items, for which the need varies in the most marked degree from individual to individual. To raise the price of wheat may mean curtailing the individual's means of satisfying his need of butter or meat or clothing or holidays. And to raise the price of wheat means the diversion of resources in land, labour, tools, machinery and other things, not merely from other branches of agricultural production but from many branches of production.

In a totalitarian State these matters are susceptible in a sense of a solution, for every one has to be stretched upon Procrustes bed according to the will of the supreme authority and without regard to his individual need. And so far as we organise producers into monopolistic associations through import boards, marketing boards, tariffs, quotas and all the other devices of restrictionist ideology, just so far do we advance towards the corporative or totalitarian State.

* "Agricultural Reconstruction." Published by the Conservative Committee on Post-War Reconstruction, 6d. "Food and Agriculture." Liberal Publication Department, 4d. "Our Land: The Future of Britain's Agriculture." The Labour Party, 2d.

An economically free democracy is the reverse of all this. Production is motivated by the freely expressed demand of individual consumers, and producers have to adjust their activities so as to provide for the maximum satisfaction of the needs of consumers, themselves included in that capacity.

Production motivated upon any other basis involves inexorably and inevitably the waste of land, labour and materials—the diversion of productive capacity from satisfying those needs which men feel most urgently to others which they feel less urgently.

In the last twenty-five years there has been an unexampled output of writing upon economic topics of all kinds, and of political policies dealing with economic questions. But it is open to doubt whether there has ever been a period in which the fundamental principles and objects of economic policy have been so obscured. These three pronouncements on agriculture are not isolated examples, but typical examples of the lack of basic thought in economics. If the world is ever to move out of the era of restriction into that of plenty, some hard, practical and un sentimental thinking will have to be done.

GOVERNMENT POLICY

During a three days' debate on reconstruction problems in the House of Lords, 8th to 10th December, Lord Woolton (the recently appointed Minister of Reconstruction) said that legislation in connection with the acquisition of land was a matter of great urgency. The Government would make known its intentions in a White Paper which would be available shortly after Christmas. It would cover the question of compensation and betterment in its widest sense. The Bill would define the scope of the powers of purchase, the procedure to be followed in exercising those powers and by whom purchase would be made. It would include the necessary provisions with regard to the basis of purchase, including the 1939 ceiling. The Bill would provide for the acquisition of all land essential to the proper planning of an area, including land which lay outside the immediate limits of the area devastated. That would also apply to obsolescent areas which needed restoration.

At the moment of writing the White Paper has not appeared. The ineffectiveness of the 1939 ceiling was exposed in our October issue (p. 79). There is no indication in Lord Woolton's statement that the Government understand the need for eliminating speculation and reducing the price of land for all purposes, but we withhold further comment meantime.

**TO ALL OUR READERS
A GOOD NEW YEAR**

MOSLEY AS LANDOWNER

IN THE Debate on the Address in reply to the King's Speech, House of Commons, 7th December, Rt. Hon. J. R. Clynes (Platting—Labour) said: "The Amendment speaks, and my hon. Friend who moved it spoke, on the theme of our land. I have been recently interested in a number of figures affecting a large block of land in Manchester. My interest is deepened for the reason that I happen to be the senior Member for Manchester, and lately the name of Sir Oswald Mosley has been in frequent use in our discussions. I find that in 1596 a Mr. Mosley bought Manchester land for £3,500, and in 1846 the Manchester Town Council, as it then was, paid the Mosley family £200,000 for certain land which was required for public use. The present Sir Oswald is the sixth baronet. He inherited a fortune of £247,000, and an adoring grandfather threw in as a little additional pocket money an extra £60,000. That is the way all over the country and throughout the years private ownership of land has travelled. It is a fine thing to have a land to fight for and die for, but it is a finer thing to possess the land at all, for it to be the property and in the gift of those who use it for the maintenance of the nation as a whole. We have seen through our history the doctrine expressed in that splendid bit of doggerel, as I think it to be:—

'The good old rule, the simple plan
For those to take who have the
power
And those to keep who can.'

"There have been recurring cases of disputes on the question of land ownership, but here, as in some other respects, we see some glimmer of the dawn, and now we are promised a little more in the way of land ownership for the masses of the people than hitherto we have seen."

A correspondent, Mr. F. W. Balch, wrote to the *Daily Telegraph*, 13th December, as follows: "In a recent debate, Mr. Clynes referred to Sir Oswald Mosley's family selling for £200,000 land which their ancestors had bought 250 years earlier for £3,500. Mr. Clynes should take warning by the gross lack of judgment on the part of Sir Oswald's ancestors and invest his £3,500 in 3 per cent. War Loan, which in 250 years' time should amount to eight millions. Quite a nice sum for his descendants to look forward to."

To this, Mr. F. C. R. Douglas, M.P., made reply on 16th December: "The comparison between an investment in War Loan and a purchase of land is entirely fallacious. The assertion that £3,500 invested in 3 per cent. War Loan would after 250 years be worth about £8,000,000 is obviously incorrect. The stock would still only be worth the market value, which might be somewhat less than the par value. What your correspondent appears to have in mind is accumulation at compound interest by reinvestment of the divi-

dends as they are received, although the figure he gives is in fact erroneous. This is an entirely different set of circumstances from the purchase by Sir Oswald Mosley's ancestor for £3,500 of land which 250 years later is worth £200,000. The fortunate owners of the land have during all that period been able to enjoy an increasing income from the land which has, at the same time, increased in value without any saving or sacrifice upon their part."

REVOLT IN BOLIVIA

LIGHT is thrown on conditions in Bolivia in various Press references to the revolution that has taken place.

In the *Manchester Guardian* of 22nd December, its diplomatic correspondent wrote: "Bolivia is one of the world's great sources of tin and tungsten and to an appreciable extent also of oil. She [for 'she' read the working population] is also a producer of natural rubber. A great part of the minerals are sold to the United States. . . . The workpeople in the tin mines are wretchedly underpaid, in spite of the high prices paid for the metals. Senor Toledano, the great Mexican labour leader, after a visit to Bolivia, informed Vice-President Wallace of the United States, that miners were working in the mountains at a height of 12,000 feet naked and shoeless for ninepence a day. There is a depressed, land hungry proletariat working on the great estates."

The Times, 21st December, Washington correspondent, stated that the revolutionary manifesto declares that the "regime of political and economic oppression" has ended, and that the revolutionary movement means the "economic redemption" of the Bolivian people. The importance of Bolivia as a tin supplier was also stressed.

According to the *Daily Herald* of 21st December: "The Bolivian Labour Party has long been accusing absentee controllers of the International Tin Cartel of blocking any improvement of the terrible conditions under which the miners live and work. The uncrowned ruler of Bolivia is Simon L. Patinō, fin king of the world, who took a supposedly worthless tin concession for a bad debt. To-day he is a multi-millionaire and directs his vast holdings from a luxurious suite in the Waldorf Astoria in New York. Where he fits into the revolution is uncertain, but maybe it means the end of his long reign."

"Look over the world to-day," Henry George says in *Progress and Poverty*, "in countries the most widely differing—under conditions the most diverse as to government, as to industries, as to tariffs, as to currency—you will find distress among the working classes; but everywhere that you thus find distress and destitution in the midst of wealth, you will find that the land is monopolised; that instead of being treated as the common property of the whole people, it is treated as the private property of individuals; that, for its use by labour, large revenues are extorted from the earnings of labour."