

to place a burden on industry of hundreds of millions a year. It has driven our people from the land into the towns to compete with the town workers, with the result that wages have been depressed and unemployment has been increased."

It is clear that for want of courage to shed light on the land question the ground is rapidly slipping from under the feet of those who uphold the fiscal policy of the country. The liberation of trade and commerce from the choking grip of protection under Cobden's leadership was a great achievement; but in the growth of the rent of land, as he predicted, the benefits have not gone to the worker but to the "man maintained in idleness." Real free trade will alter this distribution.

It is now widely recognized that land value taxation is a possible as it is a sound alternative to protection. Yet neither the spokesman of the Liberal free traders, nor the free trade Labour leaders will say as much. Their alternatives are in the one case economy and efficiency; and in the other case additional taxes on the rich. If there be hope in any of these remedies it must be the hope deferred that maketh the heart sick. The taxation of capital restricts and injures industry; the

taxation of land values offers industry its freedom from monopoly. The debates on the Finance Act showed unmistakably the connection between land and labour and where the necessary new source of revenue is to be found to meet the legitimate needs of the State.

The General Election, we are warned, now looms in sight. It is the old call to attention though more insistent than ever before. The Finance Act should inspire real free traders everywhere to make the land value policy an issue in the coming campaign. As Mr Snowden, in a letter to *Land & Liberty*, has said: "It now remains for us all to work with renewed energy to educate public opinion still further on this fundamental reform. This measure is only a beginning and, like all beginnings in a great effort, is imperfect and incomplete, but it is a logical and consistent scheme and we can build on the foundations we have laid the full and complete structure." This can be taken as a word in season by a leading statesman to all interested. We have played our part in the agitation that has brought about this beginning. The immediate need now as in past years is to maintain and extend the propaganda. J. P.

THE CHURCHES AND UNEMPLOYMENT

The Christian Social Council has issued to the Churches a message in which the existing social order is boldly put on trial. The message is nothing less than a challenge to all Christians to put on their thinking caps and start serious inquiry into the reason of industrial depression and unemployment. As the official representative Council of the Churches for social questions, its message is entitled to every respect, and it should be said at once that it shows the Council to be fully alive not only to the pass to which the present social order has brought us, but also honestly anxious to find the way out. They find that the outstanding feature of the present depression is the paradox that it does not spring from scarcity either of raw material, man power or capital, and that this paradox makes it hard for the millions whose livelihood is now in jeopardy to accept their privations without becoming embittered against God or man. Coupled with this strange paradox of increasing poverty in an age of increasing plenty is the fact that statisticians, bankers, economists and captains of industry are revealing by the variety of their proposals their failure to master or even to understand the problem, and this virtual defeat of the practical wisdom of the world is a most disquieting feature for the churches. The feeling of helplessness which results is spiritually deadening and the churches cannot allow it to go unchallenged.

For these three reasons—the paradox that causes social misery to spring out of social progress; the blow to moral responsibility struck by the incompetence of man to control the social order he has created and the moral paradox that makes social virtues such as thrift and human ingenuity in the form of labour-saving devices appear as social

perils—there is good reason, they declare, for the Christian Social Council to call upon the Christian community to think again whether we have not allowed some false theory to be incorporated in the foundations upon which our industrial civilization is reared.

Starting from this standpoint the Christian Social Council claim to make "a new approach to the problem." It denounces the notion that there can be real over-production while human wants remain unsatisfied, though there can, it says, be "badly organized production." This situation goes to show "there must be something wrong with the machinery of distribution," for a percentage of production does not find a sale at prices consumers can pay. The prices consumers can pay, it is said, would not enable industry to recover its present costs if it were to function at full capacity.

What puzzles the Christian Social Council is the inability of civilized peoples to purchase their own production. It is declared that any real solution of this absurd and tragical situation must satisfy the Christian assumption that a right economic order shall give right, not paradoxical, results as the present one does. The Council is in search of a solution that fulfils the Christian assumption and then quite inconsequently, as we think, and without analysis or discussion goes on to suggest that this is to be found in "reform of our monetary organization, and that we must direct our attention to the gold question, banking policy and credit control." There, they suggest, we shall find the cause of our inability to buy what can be produced.

It is much to be regretted that in submitting this suggestion to the Churches the Council has not undertaken to give any reasons for its view. After so fine a statement of the tragic paradox we had expected something more than the bald assertion, without

proof, that the evils denounced are due to "radical defect in monetary organization."

In view of this failure to submit the matter to analysis and reasoned discussion, and noting with satisfaction that the Council invites solution *even though it may run counter to established interests*, we venture to fill the gap they leave as best we may while carefully respecting the Christian assumption that a right economic order must give rational, not paradoxical, results such as does the one which now exists.

Consider. A man living in isolation exists by producing what he wants and consuming it himself. It is unthinkable that he would produce the things he wants and then stand idle, unable though anxious to consume them. His productive and consuming power being one and the same power, there can for him be no problem of over-production or under-consumption. He will as a matter of course consume what he produces.

But when men live in society each does not consume the same things as he produces. Each man specializes in some particular industry, the products of which he may not himself need, and exchanges them for other things he does need: he trades. Here again, *provided men are economically free*, that is, provided there exist no predatory "interests" which take without giving, the consumption of each individual must equal his production. The two are one and the same, so for these free men trading with each other there could be no problem any more than there could be for men living in isolation. But this society would soon find that barter is an awkward way of carrying on and money would be introduced to make trading easier. Could this change do anything to bring about either under-consumption or over-production? Surely not. Why should we think there is anything in money to alter the situation that existed before? Pending evidence to the contrary we shall, therefore, question the rightness of the Christian Council's suggestion that the problem is one of "monetary organization." Money is not essential either to production or consumption, but only an aid, and it must therefore take secondary place in our inquiry.

Production precedes exchange whether with or without the aid of money. If, therefore, we are to discover the first cause of present distress, we must begin by examination of the conditions under which men are allowed to produce, and only in the second place investigate whatever abuses may have crept into monetary organization. So we repeat that, provided men enjoy freedom to produce, *i.e.*, provided there exist no predatory interests to take from producers the fruits of their toil, the consumption of each individual must be equal to his production. If to-day this balance is absent, we must seek the cause in some violation of equal freedom, or instrument at work which enables some to consume without producing and, therefore, forces others to produce without consuming. Inquiries along such lines will, of course, bring us right up against vested interests, as the Christian Social Council seems well to know, for it urges the Churches not to rest content with any solution of the problem which does not take into account "the present

conditions under which people are allowed a claim on production."

Proceeding along these lines and accepting the invitation to disregard all vested interests, we have to remind the Council that at the very heart of modern civilized society lies an institution which enables its beneficiaries to claim on production without contributing anything to it. This institution is the private appropriation of economic rent exacted from producers for leave to use the earth. To-day no man may embark on any kind of production whatever till he has paid tribute in the form of rent to some fellow-man who gives him nothing in return. In this way workers, under sanction of law, are deprived of what they produce so that their consumption is unable to meet their production. It should be clear that this dislocation at the very source of industry is more fundamental than any question of currency or monetary organization.

The problem of under-consumption is inseparably bound up with the right of men to what they produce, and that in turn is bound up with the equal right of all to use the earth from which all production comes. Denial of this right is followed inevitably by inability of the masses to consume what they produce. Not for a moment do we question the need for monetary reform or that faultiness of present currency has something to do with present discontents. But however needful such reform may be, we plead for "first things first" and assert that no possible reform of this kind can avail so long as the right of men to the products of their labour is denied as it is by the private appropriation of economic rent. From this spring the evils so rightly deplored by the Christian Social Council.

Consider once more. Why cannot men consume what they produce? Because they have not the means. Why have they not the means? Because they earn too little. Why do they work for so low wages? Because if they ask more, the unemployed are there in their thousands to take their places. Why are there so many who cannot get employment? Because their right of access to Nature's workshop, where there is work for all, is forbidden except on payment of ransom prices they cannot afford. That we submit is the final and all-sufficing analysis.

It follows that the final remedy for the evils, to which the Christian Social Council directs the attention of the Churches, must be more profound than any reform in monetary organization. The remedy is to break down all obstacles that stand between would-be producers and Nature's free bounties without access to which they can produce nothing. When that is done, the paradox of men's inability to buy back what they produce will be no more. This change will, in practice, be accomplished with perfect simplicity and in perfect fairness to all when the Land Value Taxes of the Budget of 1931 are extended to the point where it will pay no man to hold natural resources without making the fullest productive use of them. Nature's workshop will then be thrown open to all on equal terms and, enjoying the full fruit of their labour, men will be able to consume what they produce without let or hindrance.

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