

fraction of the working class, is bound to mean in the end the defeat and destruction of the whole labour movement and everything for which it stands. A people's movement which became the hireling ally of a restrictive monopoly capitalism would end as the tool of economic fascism." It is a warning which deserves to be pondered over.

The precise steps which Mr Morrison would propose, apart from nationalization in certain cases, do not appear clearly from these speeches. He makes some reference to social controls over production. It may be remarked here that the "controls"

which have been operated during the war do not necessarily provide a pattern for peace-time policies. They have in a large measure been brought into existence for the purpose of rationing things which are in short supply, just as in a lifeboat, shipwrecked sailors ration the supply of food and water. Such a procedure is dictated by exceptional conditions, and not by normal needs. We want to establish conditions in which such measures are unnecessary.

We may presume from his allusions to tariffs, that Mr Morrison would seek to abolish tariffs, quotas and similar restric-

tions upon production and trade. The land question is not alluded to in these speeches. From the leading part which he played in relation to the London County Council Bill for the rating of site values, we cannot think that he is unaware of the importance of this matter, not only in its general aspects but particularly as affecting the reconstruction and replanning of our cities—a task which will assume pressing importance immediately after the war and towards which steps must be taken even before hostilities end. We invite his attention to it.

RECURRING UNEMPLOYMENT

SPECULATION is rife as to the fate of those who will be looking for work when peace returns, and in many responsible quarters opinions are being offered as to the measures that must be taken and the conditions that must be satisfied if they are to find it. The Press is full of the question, and journals of weight like *The Times* and *The Economist* have reproduced in pamphlet form their articles on the subject, while the great firm of Lever Bros. and Unilever Ltd. has prepared an exhaustive report, expressing their considered view as to why depressions occur, and how they should be dealt with. These writers say that in the past the world has been faced with the disturbing problem that during certain periods it did not seem able to consume what it was able and willing to produce. According to them, we have to find out "How it is that human beings who are in need of products that can be made do not dispose of the purchasing power to acquire those products?" Or inverting the problem, we have to find out "How it is that human beings who are able and willing to produce or to work are not able to sell their products or to work?"

Such are some of the questions submitted for consideration by these writers, and the replies they give are numerous and various, though on one thing they all seem to agree, viz., that irregularity of the extension of capital equipment, or, in the jargon of the day, irregularity of capital investment, is a chief cause of the trouble. In their opinion employment is irregular because of irregularity in extension of capital equipment, and they claim that if this were kept regular the problem of unemployment would be shorn of much of its difficulty. It is, they say, the steadiness of productive activity, rather than its intensity that bears on employment and, with it, on the whole social question. But though so much importance is attached to this matter, we cannot find that any of these writers offer any explanation as to why the provision of capital equipment to industry should take place spasmodically, though surely this is the first thing that should be settled, for before we can prescribe a cure we must know the cause. We feel that their failure to deal with this question is due to their apparently studied refusal to have any truck with the question of man's relationship to land, with which it is closely bound up. If they could be induced to give thought to the matter from that point of view, they would find that in a progressive community the value

of land, unlike that of goods, is constantly increasing, which is a perfectly natural and beneficent result of progress, provided that the fund thus arising is devoted to the benefit of the whole community. But when this fund is privately appropriated, as to-day it is, it assumes the form of a tribute which grows till a point is reached where industry is unable to proceed further with profit and begins to slacken down. This is the point at which depression begins and continues until (a) those exacting tribute modify their demands (which is to say land falls in price) or else (b) advancing powers of production enable industry out of its greater efficiency to pay what is demanded. When either of these things happen the depression is over, and industry resumes its forward march only in due course to be held up once more to face a recurrent depression.

This fluctuation in land prices is, we submit, the prime cause of alternate depressions and booms in industry, and it should not be hard to see how irregularity in production of capital equipment to which these writers attach such importance as a main cause of unemployment is but one of the many evils that flow from it.

The age-old and long since exploded doctrine that employment in the aggregate is promoted when money is spent on (or in the jargon of the day "invested in") capital construction runs through these pages from cover to cover. Thus to attain maximum and steady employment we are told there must be maximum expenditure on capital equipment, the Government taking such share in that expenditure as may be necessary to eliminate present fluctuations in the labour market. Thus if on the one hand unemployment of a prolonged character or other signs of an economic nature begin to show that slump conditions are on the way, capital expenditure by government should be embarked on or increased. If, on the other hand, a marked diminution in the number of unemployed and other economic phenomena indicate that a boom is on the way, capital expenditure by government should be slowed down, all of which implies acceptance of the fallacy that capital employs labour, though not a word is said to prove it. In any case, it should be pointed out that no increase in the sum total of employment can result from government expenditure since the government has to get its money out of the taxpayer's pocket, whether by taxes or by borrowing. The increased spending power on the part of the government "giving employment" is thus offset by the diminished spending

power of the taxpayer. There is no alternative. The juggle with money is an illusion.

The truth is that outlay on capital construction determines only the nature of the work on which labour shall be employed, but does not affect the sum total of that labour over the whole field of industry. The man or the government in possession of capital can take it out of one industry and put it into another, and thus determine that fewer workers shall be employed in one industry and more in another, but the number employed in the two industries combined remains unchanged. For the capital placed in any industry had not been lying idle. Before investment it had not been buried in a hole or tied up in a stocking but was already being made use of in some enterprise or had been placed in some bank or building society and by them loaned to industry as required. So no additional employment has resulted from the new investment. If that is what we are seeking, measures of quite another nature from those advocated by these writers must be resorted to, and that brings us against the elemental simplicities that must be faced if our search for a full employment policy is to bear fruit. All great truths are simple truths and among them is the simple though profound truth too often overlooked that all wealth and all employment involved in producing wealth come, directly or indirectly, from the application of labour to the raw materials of the earth—land.

If therefore our aim is maximum employment along with maximum production, we must see to it that no obstacles or impediments are placed in the way of access to land and therefore to full employment. For not a spade may be dug into the earth nor one brick placed on another without tribute or toll being paid to those who claim it as their exclusive property. Let this power of taboo be swept away: establish the equal right of all to use the earth, and so limitless would be the natural opportunities for employment thrown open, that it is hard to see how any willing worker could stand idle no matter how complex our Society, and our aim of full employment would be realized. It is because we cannot find anything in any of the policies advocated by these pamphlets that would make even a distant approach towards this ideal that we venture to make this criticism.

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