

the trouble is that no-one, not even the erudite Mr. Bulloch, can really answer such questions at such a short remove from events. The primary documents on which a balanced view must be founded will assuredly not be available for another quarter of a century.

There are some primary documents which would give the story some historical perspective. There is the record of the interrelations of the peoples in the Middle East

in the first half of this present century, which would help set the context of the present struggle.

Apart from the sheer fascination of story-writing, the point of recording and studying the past is to understand something about man, which will help us in the future. The trees which Mr. Bulloch delineates are large and beautiful. What I should like to do is to see the wood. This needs a deeper sense of history.

## Housing Remedies in a Vacuum

ROY DOUGLAS

THE Building Societies, and the domestic mortgages which they provide, are 19th. century developments. They grew up at a time when the real worth of money was almost unchanging; when housing accommodation could be built broadly in accordance with the laws of supply and demand.

Since then, everything has altered. From 1945, inflation has run at around 5 per cent a year - a rate which recently has rocketed to something like 20 per cent. The laws of supply and demand have practically broken down so far as housing is concerned, for several reasons. Housebuilding can never be adjusted finely to variations in demand like, for example, the supply of plastic pens, or even motor cars. Innumerable tinkering with the house market have made it almost impossible to discover just what the free market price would really be.

Consider, for example, the effects of rent control; of controls on evictions; of planning restrictions; of import duties and other controls on building materials; of scarcities local and national, natural and artificial. Or think of the various taxation juggles which have applied both to the man who lends to a building society and to the man who borrows from it; and the indirect effects of fluctuating government policies towards local authority housing. Recall the natural and artificial scarcities produced by two world wars and their confused aftermaths. Mix the whole lot in the steaming brew of an overheated economy, then pepper heavily with inflation. Nor let

us omit our perennial ingredient, land values. Thus have we a sure recipe for chaos, whoever brews it.

The Fabian Research Series pamphlet No. 319, *Building Societies*, by Rupert Greer (Fabian Society, 30p.) throws some useful factual light on the multitudinous causes of the present building society crisis. The author sees a partial remedy in the establishment of a Public Mortgage Agency: but admits that this would not "achieve a miraculous advance in the number of people owning their own house". Nor, so far as one may gather from the general tone, does he really think that it would produce miracles anywhere else. The thaumaturgical faculty has atrophied noticeably in the last few years.

The plain fact is that we have an economy in which nobody believes, nor recognises as capitalism, socialism or anything else. Nobody in the world can extract a component like the building societies, treat it in isolation and produce anything of much use or validity. At least, it is an integral part of the whole housing question. More properly, it is but one aspect of the whole confused economy. Precious few people seem prepared to think their economic nostrums through to any sort of logical conclusion. Those who do have glimmerings lack the political courage - or the political ability - to deal with the situation. Give your patient his placebos, and for heaven's sake don't dare tell him that he is seriously ill, and the one chance of saving his life is a major operation . . .

## Pitfalls in Land Reform

NEWSPAPER reports indicate Peru's land reform is far from a uniform success. Rather, it is another example of what happens when land is expropriated and merely divided among a portion of the people. Those who get the land do well, but what about those who do not?

Five years ago the Peruvian military government appropriated the 375,000 acre holdings of the Gildemeister family in the Casa Grande. This was the largest of the eight sugar estates owned by four Peruvian families and the W. R. Grace Co. The Peruvian government carried on one of the most extensive agrarian reforms in the history of Latin America. Over 170,000 families received the land, but there were a million families remaining landless.

To the chagrin of the Peruvian government, the fortunate peasants are acting pretty much like the old landlords. They want to keep what they have and not share with anyone else.

And they are producing much more than when the Casa Grande was owned by a few. This year it will produce 245,000 tons of sugar, almost 60,000 tons more than the best annual output previously.

This new middle class fights the government, and it has been accused of exploiting part-time workers. In some areas, it has actually erected barriers preventing the landless peasants from entering.

So, now, instead of the government having to deal with a few wealthy landlords, it must deal with thousands who are not anxious to lose their privileges any more than were the few grandees.

Had the military government, possibly after expropriating the land, rented it out to the highest bidders, the rent could have then been distributed among all on a per capita basis, so those without land would have at least received something. Today, they receive nothing and they constitute a potent force of discontent which some day may destroy the new middle class.

—Gargoyle, Los Angeles.