

the latter may import foreign coal. If machinery or other engineering appliances are so dear that a coal mine is hard hit, the mine may try to reduce costs by importing foreign machinery. What is the result? Men and women are thrown out of work because the work is being done by foreigners.

But the men and women thus unemployed cannot be left to starve. They must at least be fed and clothed. For their food and clothing the rate-payer or the tax-payer has to pay in the first direct instance. Whatever else happens, that rate-payer or that tax-payer has so much less savings to invest and there is so much less money available for industry. This, bluntly stated, is the lesson set out in the report on "The Effect of Taxes upon Prices," issued in March, 1930, by a Sub-Committee of the Management Committee of the General Federation of Trade Unions. That report declared:—

"It is important that the workers of Britain should
 "realise where the burden of all taxation ultimately falls, and
 "to what extent it prevents the accumulation of that capital
 "which is necessary to maintain and expand that industry
 "by which they live."

But, further, this country as a whole has, for the most part, to import the food which the unemployed are to eat, and the raw material of the clothes they are to wear. Therefore, the country has to pay other countries for these things.

There is no gold in the country that can be extracted and exported, so we must export other things—manufactures, raw materials or "invisible exports". An example of the latter has been given in the case of shipping.

But if the materials that the Shipping Industry uses are too dear, it will in turn suffer. The ships of other countries will get the trade, and British shipping will no longer earn from other countries the money which largely helps to pay for our imports.

In short, unemployment caused by industries being forced by high prices to buy abroad what they would otherwise buy at home, means, directly, that there is less money available to keep industries going, and, indirectly, less money available to feed the population and even to buy abroad the bare necessities for keeping the unemployed fed and clothed.