

12th. November, 1929.

Major L. Darwin, Sc.D.,
Cripps's Corner,
FOREST ROW,
Sussex.

Dear Major Darwin,

I have left yours of the 1st. inst., unanswered unduly long, and I doubt if I know enough of economics to answer it properly.

My feeling about the valley lands of the equatorial rain belt, is that the vigour of native vegetation has imposed a serious obstacle to cultivation by tribes at a low level of social organisation, and that they have never been subjugated by natives for this reason, but that they possess immense natural resources not only for timber but for food production, if reclaimed on a large scale with great resources and determination. Whether the Asiatic valleys were easier to control, or have happened to be attacked by better organised or more persevering peoples I cannot easily guess.

I quite agree that the increased real value consumed will be greater (when the standard of living rises) in goods other than in food, the demand for which is relatively inelastic, but this will not explain an increase in the price of any one particular item such as pig-iron as compared with a bushel of wheat. Our daily budget ought in fact to comprise more pig-iron, in various forms, and not so much more wheat, but not dearer pig-iron relative to wheat.

If a population were too great for its natural resources, would it not tend (if well organised) to lower its standard of living by putting in more work, at the expense of longer hours, later pensioning, shorter, more ^{div} extensive industrial schooling &c., in fact more employment and less leisure? If this were becoming burdensome, there would be a case for diminishing population supposing there were really a decreasing return from the natural resources for the labour being expended. But unemployment as we know it, is a kind of wasted leisure. Men, women and children are supported without adequate economic contribution, but also without being able to make the indirect cultural contribution of a leisure class. I doubt altogether if the standard of living in the working class (or the country) generally would fall, if the unemployed were taken on at lower wages, provided there were adequate wage differentiation for skill and output, which should not be beyond intelligent social organisation,

however difficult in the prevailing state of opinion.

How would a small compulsory automatic wage increase with length of service work in practice, in conjunction with unrestrictedly low initial pay? It is not obvious to me that frequent dismissals would be profitable to the employer in most industries.

Yours sincerely,