

### "OUR POLICY."

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—Henry George.

### A WORD FROM THE MAN AT THE MARGIN.

This country has now enjoyed almost eight years of Liberal Government—years whose unparalleled legislative activity may easily be gauged by the fact that this is the first in which members have enjoyed the luxury of an autumn vacation—and now in the lull that there is before the opening of the Land Campaign the time has surely come for a stock-taking. To what extent have the Government carried out the principles of Liberalism in matters economic? What have they done to secure justice, opportunity, fair play for the millions of humble sufferers from unjust social conditions? To name all the Acts which have been passed with the object of improving the lot of working people would indeed be too tedious, though it would add point to the argument we are about to develop, but among the more important may be mentioned the Education (Provision of Meals) Act, 1906; Small Holdings and Allotments Act, 1907; Old Age Pensions Act, 1908; Coal Mines (Eight Hours) Act, 1908; Housing, Town Planning, &c., Act, 1909; Labour Exchanges Act, 1909; Trade Boards Act, 1909; Finance (1909-10) Act, 1910; National Insurance Act, 1911; Small Landholders (Scotland) Act, 1911; Coal Mines (Minimum Wage) Act, 1912; Shops Act, 1912. What was the spirit of all these enactments, and what has been their effect? All are palliatives, with the exception only of the Finance Act. They have done nothing but readjust the burden on the backs of the workers, without reducing in the least its weight.

To mitigate the sufferings which poverty brings in its train meals are provided for necessitous school children, old people over 70 obtain a pension of five shillings a week, and almost the whole working population is insured against sickness. There is not a word of inquiry

in all this as to *why* men are unable to give their children enough food, or to lay aside funds to provide for sickness and old age. That is not a pertinent question, says the legislator, and even if it is capable of answer it would take much too long to find that answer; something must be done at once. And something is done. Poor men's children are fed at the expense of the rates, that is, at the expense of other poor men, for disguise it how we will, the ultimate incidence is to a great extent on the working man, not only as regards the rates on their dwellings, but the rates on shops and business premises as well—they are shifted on to consumers. So that the cost of this palliative falls on other men almost as poor as those who benefit. Similarly with the Insurance Act, its cost falls in the main on working people, for have not Liberal defenders of the measure explained to us that the employers' contribution will in the end fall on consumers?

Now let us look at the legislation intended to act more directly on wages and hours of labour. Coal miners have secured an Eight Hours Act and a Minimum Wage. As a result the price of coal has gone up enormously. Other working men are paying increased prices for their coal; a raw material of primary importance in a great manufacturing country is increased in cost and employment in all kinds of manufacturing industries curtailed. Let there be no mistake, the miners' Minimum Wage is being paid for the most part by other workers.

But it is obviously impossible permanently to raise wages until the question of unemployment is dealt with. The competition of the unemployed man is the most powerful agent in the world for keeping down wages. Starvation may turn any man into a "black-leg." What is the Government's record on this matter? They have provided labour exchanges and unemployment insurance for several great industries; they have in addition established the development fund which is to save money in good times to be expended in bad times, virtually another form of unemployment insurance. The effect of the labour exchanges is easy to see; they have increased the mobility of labour, and though

this may enable a man to hear of a job he might never have heard of before, it also increases the number of applicants for any particular job; it increases competition, and under present industrial conditions helps to keep wages down; but it does not create any more jobs. The other two measures are frankly palliative. They are based on the assumption that unemployment is a constant feature of modern industry incapable of being got rid of, and that the only thing to be done is to spread out wages over good times and bad. Regarding the *cause* of unemployment, there is no word.

Let us go a step further. Supposing that all the measures we have referred to and others like them had provided all the benefits which enthusiastic politicians said they would, and supposing that these benefits had been provided at the cost of the rich and not of the poor, or suppose even that they had been provided cost free as manna was to the Israelites, what is and must be the inevitable result? The advantages would not long go to the benefit of the poor; they would be shared with the landlord, and in the end all the benefits, so far as they were pecuniary and measurable, would disappear in the shape of increased rent.

We have heard that old age pensions have increased the demand for cottages in the country, have sent up the price of land, and are so accentuating the housing problem; and already we are told that mothers in nine cases out of ten, when asked what they would do with the thirty shilling maternity benefit, answer: "Pay the back rent with it." And so it must be.

The tendency is unalterable under present social conditions in which no limit is set on the power of landlords "to do what they will with their own." All remedial measures which put or leave more money in the pockets of the workers lead to an increased demand for land, every advance in the prosperity and industrial activity of the community ends in an increase in land values; and it leads to worse: it leads to speculation in land value and the holding of land unproductive in order to reap an increase in value in the future, and every piece of valuable idle land is a factor in increasing the price of the rest, in diminishing employment, and in reducing wages. This is the fundamental economic

fact to which the politicians must sooner or later be driven back.

The marginal theory of political economy is well enough established nowadays. It is evident indeed to any one who will reflect that the determining factor in the condition of the people is the position of the marginal man. The wages of that group of men who are working in the poorest economic conditions—that is to say, on the least productive land—are the principal factor in determining the wages of all other men. Unless the position of the man on the margin is improved, any advantages given to others will surely be taken by the owners of land in increased rent, and yet the politicians have done nothing for the man on the margin.

It is a strange circumstance—and some day the political philosophers may condescend to explain it—that well-meaning people should so calmly accept, or perhaps fail to see, the inversion of the natural order which is contained in the present land system. When it is a question of using an artificial tool, capital, mankind always endeavours to obtain the best of its kind, and will not have recourse to an inferior tool while any of the better are available. When it is a question of using a natural tool, land, they accept without question a system which, depriving them of the use of many superior natural opportunities, drives them back to use much less productive land than there is any real necessity for. And they accept, too, the inevitable result that the wage of the man at the margin should be so forced down and the wages of all other men correspondingly.

The failure to meet this difficulty has forced on the nation all the palliative legislation with which it has been surfeited during the past eight years, and it is that failure which has made and is making all the palliative legislation fail to produce the effect intended. There is one, and only one, way in which the difficulty can be met; it is to remove taxation from all the products and processes of industry and to base it on the value of land alone, thereby securing that land comes into use in the natural order, no inferior piece while a superior is held out of use, and thereby raising the earnings, not only of the man on the margin, but of all men. This the one thing needful.

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