

LAND VALUES

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"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.

WAGES AND PRICES.

Since the outbreak of the war it has been abundantly evident that the simplest of economic laws are entirely unknown to statesmen, economists, and philanthropic politicians. In no field of their activities have they shown a greater incapacity than in dealing with the problems arising out of the increased cost of living and its relation to wages. No week passes without some new outburst of Labour trouble, and, as time goes on, the sympathetic strike assumes proportions which seems to threaten the national safety. Yet the leaders in thought and politics can offer no solution to the perpetual conflict engendered by the struggle of wages to overtake the ever-mounting cost of living.

We do not pretend that in war time things can be made to go as smoothly as in peace time. If five million men are withdrawn from production and their energies devoted to destruction, they and their fellows must suffer some loss. Nor would we assert that extraordinary measures need not sometimes be taken to meet abnormal circumstances. But whatever may be said for Governmental control in war time, the fact cannot be ignored that the Government itself has, by recent taxation on production, increased the cost of living and artificially raised prices, thus aggravating the relationship between employers and employed.

What more concerns us is the prospect for the future, when a maimed and perturbed world is

endeavouring to settle down to a healthy routine. It is admitted on all hands that the period of transition will be enormously difficult. The demobilisation of millions of men and women from field and factory is not likely to be carried through without such a period of depression, unemployment, and unrest as we have never known.

What have our statesmen and politicians to offer in face of this danger?

Confronted with the great problem of the increased cost of living conjoined with unemployment and lower wages after the war, they have formulated schemes involving State interference in the everyday business of life. These proposals are many and varied, but all of them are based upon the idea that the power which prevents wages from rising rests entirely in the hands of the employers of labour. The idea that the Capitalist has power to dictate the rate of wages, though exploded in economic theory, still dominates the minds of Labour leaders and Parliamentarians. They set themselves to devise schemes which will bring the two forces Labour and Capital into agreement, and are prepared, if need be, to frame laws prescribing rates of wages and prices of commodities. The promoters of these schemes, dominated by sentiment, are driven on from one absurdity to another. It is proposed in all seriousness that the employers should be called upon to pay wages in proportion to the size of the worker's family. Such an arrangement would simply place a premium on the employment of men with small families, and should only be promoted by men who are enthusiastic on behalf of the Malthusian theory. In paradoxical contrast with this we have a campaign for the endowment of motherhood. The absurdity of such schemes is too pathetic and self-evident to waste words on.

It has been suggested by responsible Labour leaders that the Government should support by Act of Parliament, if necessary, a sliding scale of wages proportioned to the cost of living. The inevitable result of this is to increase the cost of production, which in turn increases the cost of living and necessitates a further increase of wages. This is a perilous path to set out upon and one which is full of the gravest danger, because the tendency of the cost of production to overtake the cost of living will constantly breed strikes and industrial dissension. It is analogous to the attempt to overtake the increasing inequality in the distribution of wealth by income,

inheritance, and luxury taxes. The tax—or the wage increase, as the case may be—is unobtrusively shifted in the form of increased prices on to the backs of those who ought to benefit by it.

We are all in favour of a real increase of wages, of a real levelling of the burden of taxation; but the arbitrary re-adjustments advocated by the numerous reconstruction committees are not the means to that end. The current proposals for increasing wages all involve an increase of wages *at the expense of cost of production*, which involves in turn increase of prices and a continuous dance round the same vicious circle. What must really be sought for is an increase of wages gained through *reduction in the cost of production*.

It is true that some of the reconstructors (the authors of the electric power scheme, for instance) are in a degree on the track of this solution. They seek to reduce cost of production by improvement in the technique of production, leaving the general economic environment unaltered; and this proviso vitiates their whole plan. The past two centuries have witnessed an improvement in the technique of production greater than was achieved in all the previous ages of man's existence. Yet relatively to increase of wealth the wages of labour have, as Henry George's masterly analysis proved, suffered a diminution, not an increase. This apparent paradox occurs because the owners of one factor of production—land—are able to blackmail the owners of the other factor—labour; and therefore the added technique of the worker mainly benefits the parasitic interests which control the natural resources which labour must utilise. Indeed, not only do the landed interests fatten on the earnings of the present, they forestall the earnings of the future; and, the price of land advancing in proportion to what it is anticipated may one day be made from it, it is held idle until that day arrives. The workers, consequently restricted to a narrower area, struggle with one another for the opportunity to engage in working such natural resources as are available; and, like the penned-up herd of cattle in Tolstoy's parable, force one another deeper and deeper into the mire.

What we who seek a true and permanent solution of the wages question aim at, therefore, is to increase production and reduce cost of production by making available to labour all the available natural resources now held out of use on speculation or caprice. We seek to solve this problem systematically by making every piece of land contribute to the Treasury according to its true value, and thereby compelling those who hold it to so use it as to realise from it the full value and utmost produce it is capable of yielding to human effort. We would thereby enormously widen the available opportunities for the production of wealth, and put an

end to the cut-throat competition for jobs which is the immediate cause of low wages, and against which, reduction of output and strikes are the natural reaction. In no other way is it possible to avoid treading the vicious treadmill of increased costs and prices following upon increased wages.

BOOK REVIEWS.

ECONOMIC JUSTICE.*

This little book is an admirable example of compression without loss of lucidity. The first portion of the work contains a statement of the fundamental doctrines of political economy and their bearing on the social problem, as well as an exposition of the nature of a tax on Land Values and its incidence. This is followed by a chapter on How to Encourage Production, showing the disadvantages of taxing improvements and the benefit of taxing Land Values. Mr. White then proceeds to deal with Land Tenure, a subject on which he is an acknowledged authority. There is an interesting chapter giving a summary of the practical results achieved in the Colonies, and an important appendix dealing with the legislative measures necessary to carry out the taxation of land values in this country, utilising as far as possible existing legislation. We regret that space does not permit of a more extended notice of this important book at the moment, but we have much pleasure in commending it to our readers as an invaluable handbook.

DR. MCGLYNN.†

This volume is a worthy memorial of a noble and remarkable man. It contains a complete reprint of Dr. McGlynn's famous address, "The Cross of a New Crusade," and of the Doctrinal Statement which he presented to Monsignor Satolli, which was declared to contain nothing contrary to Catholic teaching, and led to his restoration to the exercise of his priestly functions. These two are the best known of Dr. McGlynn's utterances, but Father Malone has collected an interesting selection of extracts from his other writings and speeches. The book is well illustrated with portraits of Dr. McGlynn and persons and incidents connected with his career, and contains many tributes to his work from eminent men of the time.

*"Economic Justice." By J. Dundas White, LL.D., M.P. Published by the United Committee for the Taxation of Land Values. Price 6d.

†"Dr. Edward McGlynn." By Sylvester L. Malone. Price \$2.00. Dr. McGlynn Monument Association, 220, Broadway, New York City. 1918.

WEEK-END CONFERENCE.

A large number of friends have intimated their intention of being present at the week-end Conference of Single Taxers to be held at Wells House Hotel, Ilkley, Yorkshire, commencing on Friday, October 4. The Conference will be particularly useful in view of the prospect of a General Election, and will afford an opportunity of considering the position of the movement and making due preparation for that event. The arrangements for the Conference have been in the hands of Mr. Fred Skirrow, Secretary of the Yorkshire League, 71, North Street, Keighley, and there is no doubt that it will be highly successful.