



LAND & LIBERTY

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THE PRIME MINISTER'S LETTER

Unemployment and poverty have grown to nightmare dimensions. Of the insured workers, taking no account of the uninsured and unregistered, more than 1,350,000 are out of work. The official figures show heavy increases since June this year, and still heavier when compared with July last year. Then there are the number of people in receipt of outdoor poor relief, which in June was 883,000, or more than double the number in like circumstances in June 1914. These figures indicate the conditions which are causing anxiety on all sides as to what the coming winter will bring.

The Prime Minister in his speech in the House of Commons on 24th July said that permanent unemployment "cannot be cured in a short time by any power on earth, governmental or otherwise." It is interesting, by the way, to see Sir John Simon agreeing with Mr Baldwin so far as to say on 23rd August that he did not see that any party could produce a rapid and certain remedy to clear away the evil. Mr Baldwin did not say in the House whether he considered four years a short-time in which to cure this social disease, which in fact has been chronic for generations. He did, however, in the same speech proceed to shift the onus for action of some sort on to the general community. This is carrying the idea of "transference" either too far or not far enough. If the Cabinet find their problems beyond their powers let them "transfer" to other people their executive functions as well as their responsibilities. Mr Baldwin preferred to make an appeal to employers to find employment for one or two workers each, as a patriotic duty. This appeal was followed up by the famous Letter signed by Mr Baldwin, addressed personally to 150,000 employers, and appearing in the Press of 21st August.

The terms and antecedents of the Letter show that it does not profess to deal with the problem of the unemployed as a whole, but solely with what are called the "depressed areas"—a phrase that at best only means "depressed somewhat more

than the depression in every area." The Letter has been inspired by the Report of the Industrial Transference Board, which estimates that there are some 120,000 employers who normally employ more than five workers, and states that if only even half of these would make it their business to give employment to one or two men from the depressed areas, a real step would have been taken. The wage fund theory is over it all—the idea that employers are a class with money to spare and can be coaxed or persuaded to spend it in supporting labour. The simple faith of the Transference Board is shown in their reference to the fact that every week in the year there are at least 120,000 labour engagements. It is a faint hope that is built upon a partial fact, for these engagements are more than balanced by the weekly dismissals. We hear, for instance, that one firm in the north recently discharged about 700 workers in one week, and this was subsequent to Mr Baldwin's speech.

In Mr Baldwin's speech and letter we have failed to find the least suggestion showing how any employer may make productive work for extra hands by merely signing them on. It is mere charity to offer wages without finding the men something to do that will be worth while. The Premier rightly says many men are averse from any form of charity. He gives no guidance as to the means by which these men are to be enabled to produce the real wealth from which alone their wages may be derived without charity. He ought to know that such productive employment necessitates the use of land. Not one worker can be absorbed productively into the industrial organism without the increased use of land for room or materials. Does Mr Baldwin expect men to be engaged merely to jostle each other's elbows and tread on one another's toes? His appeal, to have the result he anticipates, requires that many of the larger firms must engage transferred men by the score and the hundred. New machines, new benches and counters, even extra standing room may have to be provided. For the enlarged accommodation of various kinds there will have to be all over the country an increase in the supply of suitable sites. All this seems obvious enough, but it is the one aspect of the case to which politicians habitually turn a blind eye.

The Prime Minister said in the House: "Whatever the Government can do it will do." He took office four years ago, however, pledged to his supporters not to introduce the Taxation of Land Values, and he has thus tied his own hands against doing all that he could do. The Government will not have done all that is within its competence until it has modified its attitude and made some steps in the direction of land value taxation.

The Taxation of Land Values is proposed because it alone will effect the fundamental readjustment in our social relations which is required for a complete solution of the problems of that "depressed area" which is the country as a whole. A tax on the unimproved value of all land would make it unprofitable to hold land out of use for a future rise; it would provide a wider market and new opportunities. Under such conditions employers

would not need the stimulus of a Premier's letter to extend their workers and offer productive employment, and transference schemes would be unnecessary. Labour would transfer itself from wherever it was temporarily redundant to districts thrown open to development. Under the application of Henry George's principles labour would cease to be redundant anywhere. The infinite resources of nature would provide an unrestricted field for the utmost endeavours of men. The taxation and rating of land values, and the corresponding abolition of taxes on trade and industry is the first essential reform that will make other reforms possible. As Henry George stated in *Social Problems* (Chapter XVIII.) :—

I do not say that in the recognition of the equal and unalienable right of each human being to the natural elements from which life must be supported and wants satisfied, lies the solution of all social problems. I fully recognize the fact that even after we do this, much will remain to do. We might recognize the equal right to land, and yet tyranny and spoliation be continued. But whatever else we do, so long as we fail to recognize the equal right to the elements of nature, nothing will avail to remedy that unnatural inequality in the distribution of wealth which is fraught with so much evil and danger. Reform as we may, until we make this fundamental reform our material progress can but tend to differentiate our people into the monstrously rich and the frightfully poor. Whatever be the increase of wealth, the masses will still be ground toward the point of bare subsistence—we must still have our great criminal classes, our paupers and our tramps—men and women driven to degradation and desperation from inability to make an honest living.

Poverty and unemployment will persist until some Government comes to recognize this basic truth. The whole country waits for the statesman with sufficient courage and determination to tackle the monopoly that is responsible for throttling industry in town and country alike.

D. J. J. O.

MINERS AND UNEMPLOYMENT

Of the many enigmas which confront the student of economic conditions not the least puzzling is that wherever he casts his eyes he sees that producers have difficulty in disposing of their goods. Concurrently, he sees great masses of the people inadequately fed, clothed and housed, though they ask for nothing better than to be able to purchase (that is, produce goods in exchange for) the things others are anxious to sell. This position is altogether unnatural and has many regrettable consequences. One is the generation of a forced and unnatural competition between producers who are selling on a market where supply chronically exceeds demand and the temptation thus offered to use questionable methods to attract buyers—adulteration, corruption, secret commissions, etc. Another is the altogether disproportionate sum spent on mere selling as compared to making; the armies of commercial travellers, the acres of advertisements; the gorgeous

showrooms. All these things add to prices, and therefore limit the number of buyers. It is said that in some lines the cost of mere selling is twice as great as all the costs of production put together. Another effect of this limited home demand is that it leads to fevered attempts to "capture markets" beyond the seas, the pegging out of spheres of influence shut in by protective tariff walls, bad blood between nations, and, finally, even to war.

But the most striking consequence of this failure of demand to meet supply is the army of unemployed. The wages of millions being at subsistence level and no more, their purchases are reduced to the very minimum, and the activities of those who make the goods they need reduced also, which means unemployment. The unemployed man, in his turn, prevents the general wage level from rising, and thus we find ourselves in the vicious circle. Unemployment, as all the world knows, has reached a point which touches the heart of the whole nation and has shaken the complacency of even the most callous.

Urged to "do something," the Government appointed what is named the Industrial Transference Board "for the purpose of facilitating the transfer of workers, and in particular of miners, for whom opportunities of employment in their own district or occupation are no longer available." The Report of the Board (Cmd. 3156) was issued last month. It should be read by all who have the interests of humanity at heart, for it discloses to them the shocking realities as to unemployment in the mining areas.

The Report is concerned to discover what to do with the 200,000 unemployed coal-miners, and decides on the necessity of moving them elsewhere. We are told quite candidly that there exists a definite surplus of labour in the mining areas with no prospect again of regular employment in the industry there. These miners and their families must therefore migrate *en bloc* as quickly as may be from the districts where they have made their homes, and where their services as miners will never be wanted again. With evident misgivings, the Board says this is the only step which is at once sufficiently drastic and sufficiently quick in action to meet the necessities of the case. Yet the Board apparently has in mind other policies it would like to discuss, but it has "felt bound to have regard to the settled financial policy of the country, discussion on which might give rise to prolonged controversy." Whatever the Board may mean by this reflection, the self-imposed limitation of its inquiry effectively sterilizes its report.

The trouble in these cases always is that people refuse to look at fundamentals on the plea that the situation is urgent and that something immediate, even though only palliative, must be done at once. When the palliative has proved its uselessness, they are faced later on with the very same situation in an even more urgent form than before and once again they use the old excuse that there is no time to lose on a long inquiry into fundamentals, so they seek a new palliative, supposed to do something quickly, and again it does nothing at all, either quickly or slowly. The present