

## THE REAL PROBLEM OF UNEMPLOYMENT

The Government gathers to itself laurels of universal goodwill by its energy and wisdom in international affairs, and the nation is hoping for the same energy and wisdom to be applied to our domestic troubles. But "hope deferred maketh the heart sick," and impatience steadily grows because the figures of unemployment show no appreciable decrease. Not that a complete and immediate solution is expected by the Government's critics, but some signs of fulfilment are looked for, apparently in vain.

It is far too easy for Mr J. H. Thomas to sanction the spending of vast sums of public money, leaving Mr Snowden to balance the accounts. A feeling is abroad that there is something unsatisfactory about this too facile procedure. The public seem at last to be glimpsing the truth taught by Bastiat (reprinted in *Land & Liberty* for June), that public expenditure on relief works only takes from the taxpayers the money which they would otherwise have spent in ways that would have given employment in other directions. In other words, employment given in public works means a lessening of employment elsewhere.

Without developing this obvious fact, we invite consideration of a striking instance of the accepted method of curing unemployment. The Works for Unemployment Committee of the Manchester Corporation recently sanctioned, amongst other schemes, one for making a road from Stockport to Failsworth. It was estimated to provide work for 450 men for five years, and to cost £667,000—£550,000 in respect of works and £117,000 for land. The last item shows that for every man employed on this scheme £260 will have to be paid to some owner of land for permission to use this land before a pick or a shovel can be applied to it. All that the landowner furnishes towards the solution of the unemployment problem is the removal of his legal veto, in this case at the price of £260 per man employed. Notice, too, that the scheme, even its mere announcement, will give an enormous value to the land on both sides of the proposed road, and that as things are at present, this value will accrue to the owners of the land, possibly the same owners who have been bought out at the handsome figure mentioned.

Such instances could be multiplied. Our present purpose is to point out the futility and blindness of such attempts at reform. It might be argued that these schemes are never too costly if they find useful work for our unemployed. Sentiment may evoke some sympathy for this point of view, but regard for truth compels the remark that this plea entirely misses the real problem underlying the evil of unemployment.

Only by removing the veto of all land monopoly from the vast resources of our country can avenues of employment be opened up in such numbers as to give every willing worker many alternative possibilities for the labour of his hand and brain. Then the working man would be in his naturally strongest bargaining position, able to meet any would-be employer of labour on absolutely equal terms, and to demand the just exchange for his labour, that is, the full value of the results of that labour. But this must depend on the excess of jobs over the number of men, and this in turn depends on an open land system, freed by the weapon of the Taxation of Land Values.

At Brighton, the Labour Conference shelved the Family Endowment Scheme, wisely, in our opinion. A chief reason for its reluctance to accept this plausible palliative was the fear of its weakening the bargaining power of the workers in negotiations over wage rates.

Trade unionists do well to guard jealously such bargaining power as they may have achieved by the organization, the discipline and the sacrifices of their unions. Let them put the same effort into the struggle to win access to land for the workers, and the power of the worker to determine his own conditions will be secured. Infinite is the number of potential jobs waiting to be done in extracting wealth in infinite forms from the land. When just taxation has made that land accessible the question will be, not "Where can I find a job?" but "Which of these jobs is best for me to do?" And that means independence, self-respect and good relations, man with man. D. J. J. O.

## LANDLORDISM IN LIVERPOOL

By "Scrutator"

(From a striking article, "The Scandal of the Land Laws," in the "Liverpool Evening Post" on 5th October.)

Financial reform is long overdue, especially in two directions—land values and the financing of public undertakings. Both these subjects came before the Liverpool City Council last Wednesday.

The Corporation wanted a site for a new secondary school at Wavertree, and the Marquess of Salisbury was willing to oblige—at a price. For 114½ acres his lordship's price was £90,000, and the Council resolved unanimously to give it to him. Most of the land is not at present wanted for anything in particular, but the City Fathers thought it may still go up in value and that they had better snatch it up now at an average price of about 3s. 4d. a yard.

Most of that 3s. 4d. a yard (or £790 an acre) has been recently created by the communal activities of the people of Liverpool. Public money and labour have gone to its creation, and now more public money has to be poured out to acquire the use of the land for public purposes. Is that a civilized procedure? Why should we pamper our landlords in that way and make life harder than it would be for ourselves and our successors?

### THE LAW OF THE LAND

"It is the law of the land," says the apologist, "and what is legal must be right." But the law can be altered, and when altered it will still be right, and certainly far more equitable than it is to-day.

I wish it were possible to ascertain the value of the land of Liverpool, so that we might know the amount of the tribute we pay annually in ground rents and in interest on borrowed money for land purchases in the past. I am quite certain the disclosure would stagger the community and lead to an outcry which Parliament could not resist. We put up with misery of unemployment, sunlessness, and overcrowding, over-taxation, bankruptcy, and eviction, while millions of pounds are being poured into the pockets of those who, by force of law, are able to keep land out of use unless tribute is forthcoming in rent or swollen capital values.

### IDLE MEN AND IDLE LAND

While idle men are looking for jobs there is idle land all around; while citizens are pinching and groaning under heavy cost of living, land values are steadily going up, as witness the "golden corner" of Parker Street, the high rents of Bold Street, and vast areas in the suburbs, which yesterday were agricultural, to-day are "accommodation" land, and to-morrow will be ripe for building, at a cost which will make successive generations sweat and groan.

But after the landowners come the financiers. Having agreed to pay £90,000 for a few plots of land, we must borrow the money to pay it. In order to make

things easier for the ratepayers of to-day and to make future generations share the burden, we spread out the repayments over 60 years, and, therefore, pay interest during the whole period.

In 60 years the city will have paid, not £90,000, but something like £285,000 for those four bits of land at Wavertree.

#### THE ROOT EVIL

The root of the evil is in landlordism. God gave the land to the people. There should be no need to buy land, because it has cost nothing to make, and therefore there should be no need to place this burden of £285,000 on the shoulders of the citizens of Liverpool for 60 years.

But this is only a sample. The City Council is buying thousands of pounds worth of land every month, and occasionally thousands of acres in one lot.

It is reckoned that two-thirds of the yield of the rates go in interest on borrowed money, a big proportion of it gone in the purchase of land—for the release from pawn of our God-given heritage.

The easiest, fairest and least painful remedy is to tax or rate the value of all land, occupied or unoccupied. Start with a small tax and increase it gradually until in two or three generations the whole value is taken for public purposes in lieu of the present taxation.

### PRESS CORRESPONDENCE

The correspondence columns of the daily and weekly Press show that during the past month the case for land value taxation has been adequately and lucidly stated. Many letters have been published and extracts from some of them are here given.

#### SHOULD ROYALTIES BE PURCHASED ?

In a leading article to-day you say that "State purchase of royalties is common ground between Liberals and Labour." This may be true of the leaders of the two Parties; but if a vote were to be taken of the rank and file of the two Parties on whether owners of coal-land should be bought out or taxed out I think a large majority would be found for the second alternative.—DR PERCY McDOUGALL, *Manchester Guardian*, 15th October.

#### TRUE DE-RATING

It is to be hoped that the electors of Edinburgh will ascertain from their representatives in the Town Council and from the new candidates who are coming forward whether they will pledge themselves to support the rating of land values for municipal purposes, and will do their utmost to push the question forward. This is the true form of de-rating, which will exempt all buildings and improvements, while securing to the local authorities their proper revenue.—D. J. DOWNIE, *Edinburgh Evening News*, 11th October.

#### THE ROAD TO PEACE

To get over international disturbances we must be determined to develop our internal resources. Good land should not be allowed to remain unproductive or badly cultivated.—"AMATEUR ECONOMIST," *Yorkshire Post*, 7th October.

#### THE RIGHT POLICY FOR AGRICULTURE

I feel it is contrary to Socialist principle to spend public money on draining land held by private owners. This will render land nationalization more costly and more difficult. Unless, of course, there is an understanding between Mr Buxton and Mr Snowden to the effect that the Chancellor of the Exchequer is prepared to include agricultural land in his Urban Land Value

Taxation Scheme.—E. J. PAY (S.D.F. National Organizer), *Daily Herald*, 11th October.

#### SOME EFFECTS OF A LAND VALUE TAX

At the Taxation of Land Values Conference in Edinburgh recently, I strongly supported the proposal to tax the capital value of all land. By the large revenue which a tax on the very high capital value of urban land would produce, Imperial taxation would be lessened and rural taxation also would be decreased. Land rents would be lowered by the supply of land to sell or rent being increased by the land value tax.—JAMES SCOTT, M.P., *Aberdeen Press and Journal*, 21st October.

#### OUR UNJUST RATING SYSTEM

The value of land everywhere is the result of public activities and expenditure, yet these values are allowed under our present system to be appropriated by private individuals, instead of coming back to the community which creates them. Every garage or greenhouse erected by the tenants and house-owners is rated, in addition to the houses themselves. Yet land having a huge value escapes all rates, if kept idle or underdeveloped. Business men should be the first to see the advantage and the fairness of taking the rates off private improvements, and levying them instead on the value of land, whether used or unused.—DOUGLAS D. J. OWEN, *Stockport Express*.

#### WORK FOR ALL

If the Government adopted a taxation policy that would compel all the useful land in Scotland to be fully developed there would be jobs for all willing workers in Scotland, irrespective of their nationality. Make the earth of Scotland an open instead of a closed shop, as in it are almost limitless jobs, and new social and labour conditions will arise.—"IRISH-GLASWEGIAN," *Glasgow Evening Times*, 11th October.

#### AGRICULTURAL LAND AND THE BUDGET

I am convinced that unless Mr Snowden includes agricultural land in his taxation of land values scheme, it will be a fiasco.

I could give two examples within 100 yards of my premises, typical of thousands of others, which prove how unemployment is caused and maintained through the absence of this tax.—F. COLLINS BAILEY, *Daily Herald*, 16th October.

Miss Picton Turbervill, M.P., speaking on 30th September at Hayward's Heath under the auspices of the East Grinstead Divisional Labour Party (*Mid-Sussex Times* report), said: "The land question lay at the root of all the reforms of Labour. Until land values went back to the workers, Labour could do nothing, and she would be profoundly disappointed if Mr Snowden, in his next Budget, did not introduce some measure for the reform."

### Significant Paragraphs From "Progress and Poverty"

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