



LAND & LIBERTY

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CONQUERING UNEMPLOYMENT

The General Election is at hand and our statesmen and politicians have moved out to the constituencies in quest of political power for another term, for the good of the country, and incidentally, to keep our common civilization from going to pieces. The issues are not obscure though more or less complicated. But a month since sides were taken for one more battle between the tariff reformer and the free trader, so named. The platforms were set for this campaign. Manifestos were announced in bold type and tons of literature for and against Safeguarding were at the service of candidates and canvassers. But something happened that has jettisoned this cargo overboard, or at any rate consigned it to the bottom of the hold as if to prove how "the well-planned schemes o' mice and men gang aft a-gley."

What happened is that Mr Lloyd George, in one of his emotional moods at a meeting of Liberal candidates, held in London, 1st March, brought the question of unemployment to the front of the stage. It is likely to remain there as the main issue of the election. In effect, the Liberal leader said to his followers, I have no use for this sham fight on the merits of free trade. The free trade policy of open ports is all right in its own place, but it gets us nowhere and settles nothing. The country is sick of the eternal wrangle over import and export statistics, what it demands at this moment is the solution of the unemployed problem as the master key to better trade. Mr Lloyd George has his ear to the ground.

The restricted free trade policy of the Liberal Party is not a cure for industrial distress. If this was not the truth of the matter the hard times with its lack of work and wages would not have accompanied our boasted industrial progress, and Protection would have remained where Disraeli said it could be found, "dead and damned." Protection hinders the development of trade and stands for friction and bad blood between the nations. As Mr Snowden says, it is the foster-mother of

monopoly: but free trade as it is maintained and expounded by the Liberals does not and cannot prevent unemployment. The free trade principle is not to blame. The failure comes from the emasculation of the principle. For, as Henry George puts it in his outstanding classic:—

He who follows the principle of free trade to its logical conclusion can strike at the very root of protection; can answer every question and meet every objection, and appeal to the surest of instincts and the strongest of motives. He will see in free trade not a mere fiscal reform, but a movement which has for its aim and end nothing less than the abolition of poverty, and of the vice and crime and degradation that flow from it, but the restoration to the disinherited of their natural rights and the establishment of society upon the basis of justice. He will catch the inspiration of a cause great enough to live for and to die for, and be moved by an enthusiasm that he can evoke in others.

Richard Cobden assuredly caught this inspiration when, realizing that the benefits of his policy would inhere in higher land values, he "saw that the agitation of the tariff question must ultimately pass into the agitation of the land question" and called for land valuation and the taxation of land values. His followers would not or could not raise the standard of true free trade and to-day the mass of people without the instruction Cobden desiderated waver in their loyalty to the cause. But free trade in its fullness can conquer unemployment, and if the remedy be not sternly and honestly applied there is nothing for it but the expenditure of vast sums of public money for relief works that can only enrich the land speculator and encourage him openly to arrest all enterprise and bring disaster to the State. How long this folly can continue is a question that everyone is free to answer for himself.

The Liberals who decline to "smash land monopoly," to quote Mr Lloyd George's own words when his head was turned in that direction, must, forsooth, find some alternative to the "Safeguarding" policy of their opponents. Meanwhile the free trade ground they occupy is not slowly slipping from under their feet. But there is yet time to turn to the free trade principle, to free production, "production free from the element of monopoly." Free trade carried to its logical conclusion can absolve society from the horrors and the expense of unemployment. It can achieve this good end in the overthrow of every artificial obstacle to trade and commerce, just as effectively as land monopoly can delay and obstruct every plan designed to promote expansion and improvement. Is this claim denied? No; it is simply ignored, and so long as it is ignored the tariff reformer has the Liberal free trader at his mercy. Heracles has got to know the secret of Antæus' strength and overcomes him by keeping him away from life-giving contact with the earth. Political economy is for very many still a "dismal science" and the fate of Antæus is a hard lesson to learn.

In his address to the Liberal candidates, Mr Lloyd George said:—

"I tell you what I am prepared to do. I am prepared to give a definite pledge with regard to unemployment. If the nation entrusts the Liberal Party

at the next General Election with the responsibilities of government we are ready with schemes of work which we can put immediately into operation, work of a kind which is not merely useful in itself but essential to the well-being of the nation. The work put in hand will reduce the terrible figures of the workless in the course of a single year to normal proportions, and will, when completed, enrich the nation and equip it for successful competing with all its rivals in the business of the world. These plans will not add one penny to the national or local taxation."

It is an astounding statement. In essence it is but an extension of the road-making, bridge-building, housing by subsidy, etc., which has been underway these past ten years. It has added hundreds of millions of pounds to the public indebtedness, kept the cost of living high, and instead of unemployment diminishing it has steadily grown in volume. Unemployment has kept pace with every million pounds' worth of outlay on these lines and now we are told it will be conquered by the expenditure of another couple of hundred millions pounds, more or less.

Land monopoly is sustained and perpetuated by the existing system of taxation. It is not the war debt nor the civil debt that crushes industry and forces unemployment on men willing to work; it is the method or the means by which the debt is paid. As it is with war so it is with peace, the debt incurred for one purpose or another means higher taxation on the merchant, manufacturer and wage-earner. The practice is ever a cause of compelling them to economize and to dispense with labour they might otherwise employ. It narrows the field of employment. Not one of the three political parties propose to alter this method of raising public revenue; they merely propose to regulate it. And for that reason they can do nothing to relieve the business man or the worker from the burdens they carry against such odds. On the contrary, all that the politicians can do is to keep industry enslaved to monopoly, and this they are unhappily doing, to the best of their ability.

The new money, if this extension of the borrowing business were possible, could only produce similar results on a wider scale. The money must be taken from the field of investment. Thirty million pounds, for example, cannot be used in opening up trade with Russia and at the same time take in idle men at the roadsides. It is the dilemma that Bastiat described in things seen and unseen. The men employed who were formerly unemployed can be easily seen, what is not seen are they who could have used the money for industry elsewhere; what is not seen are the workers who will be turned into the street because of the transference of so much purchasing power. As Mr Ramsay MacDonald once observed, Parliament cannot make its own economic laws.

In his criticism of this new Liberal adventure, Mr Baldwin, at Leicester, 21st March, put the case in a nutshell. He said:—

"It is a very simple problem we have to decide—let us use a small figure to make it easier—whether one thousand pounds spent by a Government is going to give more employment in the country than a thousand pounds left to the individual to spend and use for that purpose."

That is the question; and if we substitute the general taxpayer for Mr Baldwin's "Government," we can realize the fallacy and its disastrous implications.

This new Liberal doctrine is not Liberalism, it is Fabian Socialism and the wage fund theory is over it all. In the militant and triumphant days of the Liberal Party the Liberals were inspired with the belief that land and not capital was the dominant factor in the production of wealth. The terms of the argument have been transposed and the Liberals are now given to understand that employment is conditioned, not by the want of cheap land, but that the want of money is the root cause of the trouble.

But it remains true, nevertheless, that land is the natural workshop of labour and that wages are not determined by the amount of capital available, but by the number of openings in the land, in relation to the number of men seeking employment. Where there are ninety men and one hundred openings, wages will be high; where there are one hundred men for ninety jobs, wages will be low and remain low, while labour is locked out from its natural supplies. The man at the gate fixes the wages of those inside.

But, exclaims the Liberal leader, in turning from the dominant to the derivative factor in production as the chief drawback to better times, I have not altogether forgotten the land question. That is true and here are his observations:—

"Then there is the betterment of site values upon the land to which value is given by the expenditure of public money. If you go to Kingston By-pass Road you will be very lucky if you can get a piece of frontage at twenty times what you could have got it for before that scheme was suggested. There is land there that was not worth £60 an acre before this by-pass began; they are now asking for a frontage £1,800 and for back premises about £600 an acre. All that value was created by public money, work and enterprise. The values created there would more than cover the cost of that road."

The reply to this piece of special pleading is that none of this land value created by the public can be taken to meet the cost of this Kingston Road, or of any other road, with its soaring land values. There is no provision in law for taking a single penny of the tens of millions of pounds these public roads have created. It is all earmarked for the land speculators. Mr Lloyd George, himself, if he did not actually scrap the Land Valuation Act of 1909-10, stood by and saw it destroyed by the Tory Party. The deed was done under his leadership and as if to mock the land value Liberals who had served him only too well, he agreed to pay back to the landlords every shilling that his so-called land values duties had appropriated for public purposes.

This Kingston by-pass road illustration does not mean that the Liberals would tax land values first. It does not mean the taxation of land values at any time. It merely denotes or implies that the Liberal policy is to throw the cost of the roads and the other improvements on to industry, to make the taxpayer pay, and afterwards to take a little from the land monopolizer in the form of a "betterment

tax." Land values as of old, figures in the prospectus but the *taxation* of land values is not there. It will deceive no one, not even the Municipalities who have never ceased to demand the power to put the principle into operation for local needs. This was in the bond and countersigned by the Liberal leader, twenty years ago.

But notwithstanding past failures and regrets over the 1909 betrayal, we can be grateful to Mr Lloyd George at this time for rousing the country to the danger of persistent unemployment. It has become an open sore in the body politic and something worth while should come of the agitation. Our orator in chief were he not off the earth would make history. He very nearly made some with his People's Budget, but the thaw did not come in the spring-time, and "the children of the people" are still without their "inheritance from on high." Nor will they enter in on this occasion, for it is written that as ye sow so shall ye reap. Grapes cannot be taken from thistles, and in the matter of food, clothing and shelter there can be no substitute for access to the bounties of the Creator.

The land question is as it ever was, and must ever be, the question that must be settled first before any other reform can be made to function for the benefit of the people. As the Liberal leader declared in the days of his ascendancy:—

"Search out every problem, look into these questions thoroughly, and the more thoroughly you look into them you will find that the land is at the root of most of them. Housing, wages, food, health, the development of a virile, independent, manly, Imperial race—you must have a free land system as an essential condition of these. . . . Well, let's burst it."

Why not? What is wanted is not new roads to expedite the traffic, so to take employment from the railway workers and give it to the motor transport industry. The more urgent need is the courage and the determination to "burst" the monopoly that stands athwart the people and their daily needs; what is urgent beyond any other thing is the will to open up the main roads and the by-pass roads that lead out to new production.

In a society like ours the taxation of land values is a policy that will make the law of rent function for the good of all and not for the benefit of any privileged class in the community. In appropriating the public value of land for public needs it can do injustice to no one. In its incidence it will put a period to the caprice, the greed and the power of landlordism to dam the tide of any rising prosperity. It does not saddle the earnings of industry with the cost of glittering schemes of social reform. It will raise wages at the expense of monopoly. It will put an end to the unequal distribution of wealth that every right-thinking citizen must deplore. It is the speediest, the surest and the safest plan to conquer unemployment.

J. P.

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CHANGING LONDON

Increase in Ground Rents

(From "The Times," 1st March, 1929)

"Changing London" was the title of two papers read yesterday at the Auctioneers' and Estate Agents' Institute by past-presidents of that body, Mr J. G. Head and Mr J. Seagram Richardson.

The papers were largely based on the personal observation of the writers, and related to changes in the aspect of London in comparatively recent years.

Mr Head, alluding to the increase in annual values of property, said part of such increase was more apparent than real owing to the depreciated value of money, but, making allowance for this, the real increment in value was astonishing. When Regent Street was laid out 100 years ago many of the shop plots were leased at ground rents of £10 per annum. Now the ground rents of similar plots were as many hundreds. The ground rents recently obtained for the land varied from £1 10s. a foot upwards, and in some picked situations were as much as £3 10s. per annum for every superficial foot, showing a capital value as great as if the site were covered with a layer of golden coin. In Oxford Street about the year 1900 a new lease was obtained at a ground rent of 4s. a square foot, a figure which was then considered exorbitant, and yet for land close by and in no better position 28s. a foot was now being asked. Increases of varying degrees but of the same order were to be met with in ground values throughout the West End. There was a brisk demand for building sites. Tenants continued to present themselves for the new buildings, and the tide was, to all appearance, still flowing. Not for many years had there been such a steady demand for good investments in the property market; indeed, the chief difficulty was to find the property, not to dispose of it.

Mr Richardson, speaking of the City churches, said that in the last half century some of them had been demolished, and others had suffered a hardly worse fate of being completely obscured, not eclipsed, for architecturally their excellence need fear no challenge from modern utilitarianism. When the controversy concerning the fate of a number of those beautiful edifices was at its height, in 1924, Mr J. C. Squire was inspired to write "A New Song of the Bishop of London and the City Churches," and he would quote a verse:—

But our Mother the Church has learnt of late
That to speculate
In real estate
Brings money along at a greater rate
Than passing around the bag.
So she's found the capital value out
Of St. John's Within and St. Jude's Without,
And the churches will all go up the spout,
And Balham will get the swag.

Levity and poetical licence notwithstanding, the verse gave in a nutshell the argument for selling the sites of City churches, to endow suburban benefices.

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