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THE LESSON OF THE MINING CRISIS

The crisis of the mining industry forces us to consider certain fundamental issues that confront society at the present time. The progress of invention during the past few generations has enabled mankind by mechanical means to produce many articles, the use of which will not now be abandoned without a desperate struggle. This cheap and abundant production is based upon machinery driven by power, and that power is and will for long continue to be derived directly or indirectly from coal.

Now those workers whose labour produces, often at great personal risk, the motive power which is essential to modern civilization are posed with this dilemma by their employers. It is said that with wages at their present level it is impossible to continue to produce coal at prices which will make the mines profitable to work, or at least that in many cases it is impossible to do so. The miners are therefore asked to accept a considerable reduction on rates of wages already substantially below a pre-war level, as an alternative to a general closing down on the pits.

The reply of the miners in effect is that they have been accustomed to a certain standard of living which has already been infringed upon by the failure of post-war wages to keep up with post-war prices. They decline to have the standard of living which has been set for them by the society in which they live further lowered. They say that men who are performing an essential function in society are entitled to look to society to ensure them the conditions of a moderately comfortable existence. They insist upon having a minimum wage fixed (preferably by legal enactment) which will at least put them upon a pre-war standard. That their wages should be upon such a level is a demand which cannot in the name of humanity be resisted. But to force wages to that level by legislation means this—that a still greater number will be thrown out of employment, that the higher wages of those who continue to be employed are secured at the expense of others who are completely deprived of a livelihood and are thrown back upon the slender benefits that they may receive from their trade unions and other societies or from the public assistance supplied by the poor law and otherwise.

Minimum wage legislation is, in fact—as far, at least, as well organized trades are concerned—a complete fallacy. It is in recognition of this that the demand has arisen not merely for a minimum

wage but for a complete reorganization of the mining industry upon the basis of pooling its resources under the auspices of the State and making it to all intents and purposes a public service. The minimum wage is fallacious because it is true that under the present organization of society, an increase of wages so brought about will increase prices, will diminish demand, and so will injure some at least of the very class for whose benefit it is established. The proposal is based upon the false assumption that there is some large fund at the disposal of employers of labour which they can by such legislation be compelled to hand over to their employees. It is based either upon the fallacy of the "wage fund" theory, or else it is based on the correlative fallacy that "employers" can create jobs for men. The function of the "employer" (so far as he is not a mere parasite of industry) is either to organize and control the job, or to "provide" the capital. It is abundantly evident when pits are being closed down by the hundred and valuable capital is standing idle that it is not the scarcity of capital that is to blame. Some other and more fundamental cause must then be looked for.

That cause, in our opinion, is no different from what is paralysing the whole industry of this country. The monopoly of land which our system of landholding encourages enables owners to hold land out of use. The general withholding and under-utilization of land allows a monopoly price to be charged for what is used. This added price becomes an oncost on industry, adds to the cost of production, restricts trade and creates unemployment. On the other hand, we have the enormous burden imposed by our system of local rating upon the development of land and the utilization of capital, amounting in many cases to fifteen or twenty shillings in the pound. Producers all over the country are groaning in an aimless way at this burden, and yet they do not seem to appreciate how it is causing a general depression of trade. Still less do they seem to recognize the remedy.

Those who keep on emphasizing the obvious fact that the trade of the country is being stifled with an artificial burden are accused of being idealists and unpractical. They are asked to help in doing something "practical and immediate," to help unemployment by relief schemes, to help to increase wages by imposing a statutory minimum wage; in fact, to do things which are incompatible and mutually destructive. The relief schemes mean fresh burdens of rates and taxes, fresh costs added to production, injury to trade generally and increase of unemployment. Minimum wage legislation in the same way means that those producers who are in the worst position must go to the wall, more businesses must be closed down, more men consigned to the tender mercies of the "guardians of the poor." The net result of these "practical" schemes is in the end less than nothing. Who can be surprised that widespread disillusionment has created an impatient and revolutionary spirit, and that many desire to achieve by violence what they imagine cannot be gained by legislation?

We repeat with all the emphasis at our command that if one half the energy had been devoted to dealing with the rating question alone, more could have been achieved during these long years of unemployment and trade depression than all the

schemes of doles and relief works would have done if the funds to pay for them could have been drawn out of airy nothing, and they had had no repercussion on the general conditions of industry. Even a small but general beginning in the transference of rates from improvements on to land values would have given a much needed and appreciable relief to industrial undertakings and to the cost of housing accommodation. It would, at the same time, have exerted a constant and steady pressure on those who are holding land out of use. The liberating and stimulating effect on production of the taxation and rating of land values is infinitely more important than its merely fiscal results, valuable though these may be, and we look in vain through all the welter of discussion on economic and industrial topics for any other proposal which will produce such an effect.

We do not overlook the complexities of the industrial situation, the adverse influence of the crises that have taken place in other countries which are the customers of British producers, the detrimental effect of tariffs, the changes in methods of production and demand for goods which alter the volume of employment in particular industries. These conditions have undoubtedly affected the mining industry, but the tragedy of that trade, as of the engineering and other trades, is that men who are thrown out of employment in them have nowhere else to turn. Yet it is a fact that in agriculture, the most fundamental industry of all, the resources of this country are not half developed. It is almost impossible to obtain land for small holdings on terms that are at all reasonable, and when it can be got the smallholder is penalized with a burden of rating on his more expensive and more efficient development of the land, which the inefficient farmer and idle landowner escape from. In like manner the building of better homes for the people is obstructed.

In the end we must come to this point. If there are too many people in this country to be supported, some means must be taken to limit their number. If there are not, they can only be supported by the produce of the land and labour of this nation used either directly to produce the commodities required or indirectly to procure them by exchange for the products of other countries. Surely then the first problem of all is to see that the land of this country is developed to the uttermost, to remove the barriers of monopoly and taxation which prevent its use, and so secure for every citizen the opportunity of useful employment and of earning an honest livelihood.

We must add a word on another aspect of the matter. It may be that the utilization of water power, of windmills and of the direct rays of the sun will diminish the demand for coal. It may also happen that economies in the use of coal and improvements in the methods of getting it will contribute to reduce the number of miners necessary to supply the national requirements. In that event it will not necessarily follow that the miners will be entitled to have their hours of labour still further reduced while their wages remain the same, in order that they may all continue to be employed in that industry. To set up such a claim is as preposterous as the claim to break up machinery of the Luddites. Society is entitled to the benefit

of inventions, and a particular section must not claim to prevent their adoption or to appropriate their advantages. No such claim would ever be made if it were not that monopoly restricts the opportunities of employment and production generally. It was the driving of the people off the land at the time of the industrial revolution which deprived them of any alternative employment and made the hand workers so bitterly resent the introduction of machinery. The same influence is at work to-day, and the remedy is still the same. No body of workers is entitled to create for themselves a vested interest in their own trade to the detriment of the community at large. But the whole body of workers is entitled to have the obstacles to production swept away, to be relieved of the burden of maintaining those who exact a toll upon industry, so that they may have the fullest opportunity of employing themselves and obtaining the full fruits of their labour.

F.C.R.D.

HOW THE GOVERNMENT THINKS TO RELIEVE AGRICULTURE Dividing the Spoil

There is a Bill before Parliament this session dealing with Tithes. Its object is twofold. It proposes to substitute a system of equal annual payments for the plan of varying annual payments based on the average prices of wheat, barley and oats. And these equal annual payments are to include a sum which will in 85 years at compound interest produce an amount sufficient to redeem the tithe, and so put an end to it altogether. The redemption money is to be paid to Queen Anne's Bounty, which organization will, as soon as the Bill becomes law, relieve the clergy of the duty of collecting their tithes by doing so on their behalf.

This measure is provoking a considerable amount of opposition, and it is important that all who believe in the solution of the land problem by the taxation of all land values should follow its progress with a watchful eye. For tithe is land value pure and simple. Here is a proposal to dispose of one important section of the land values of England and Wales by purchase and compensation, for that is the true meaning of that innocent-looking word "redemption." The Government—which is promoting the Bill—no doubt trusts to the complete ignorance of all tithe mysteries prevailing among the common people and intends to set up a precedent which may undermine the principle of land value taxation. For if the clergy's special interest in land is to be dealt with by compensation, how can other interests in land be fairly dealt with by taxation?

This Bill, if it becomes law, would be a much worse precedent than the proposal made in COAL AND POWER to buy out the owners of minerals and mining royalties. That proposal, bad as it is in principle, does intend that all mineral lands should be vested in the State. But the Tithe Bill's intention is merely to transfer a certain section of land value from one class to another—from the clergyman to the landowner. So long as this is done by agreement between the two, it does not matter to the disciples of Henry George. In one way it would simplify our task, for we should then have to assess only one interest in the land value of a farm instead of two. The great vice of the present Bill is that the Government proposes to *compel* the landowner to pay, and the clergyman to receive, compensation, while the tithe value is *compulsorily* transferred from the latter to the former.

As a matter of fact, there is no agreement between the two parties to the proposed transaction. For the