

Veto issue will be postponed, and that any new move on the Government's part will be connected with the Budget for this year. There have been rumours to the effect that the Chancellor of the Exchequer would repeal the Breakfast Table Duties. If this step were possible, no policy would be more acceptable, but we should not be impatient if we have to wait until the valuation is complete for such a welcome relief.

In our view the Government has achieved so much and done so well in passing the Budget that further legislation of any kind may be postponed without loss. Outside of Parliament the valuation of land will engage the attention of the country, and there is no more interesting or profitable subject to which it could devote itself. In addition to this there is the education of the people on the Taxation of Land Values and other democratic questions, and it would be a pity if an empty political controversy in Parliament diverted the minds of the people from a serious consideration of such questions. We do not say that the ground of conflict has changed from Parliament to the country. It was always there, but with the comparative cessation from party hostility at Westminster, more attention can be given to the practical subject of Land Valuation, and to the discussion of the principles that will properly press for fuller legislative recognition in a few years. Here again we are full of hope. Just as the success of the late King's policy is a guide and inspiration besetting his successor, so the success of the Government's Budget policy will largely make for its continuance in the future. The political situation is satisfactory enough from the Liberal point of view to be appreciated by everyone. Nor is the cause of this satisfaction obscure. The advancement of the Budget and all that it represents to their natural place in the Government's programme has changed the whole face of affairs and brought order out of chaos. Their retention in that place will preserve and extend that order.

J. O.

"There is a method by which you can tax the last rag from the back and the last bite from the mouth without causing a murmur against high taxes, and that is to tax a great many articles of daily use and necessity so indirectly that the people will pay it and not know it. Their grumbling will be of hard times, but they will not know that the hard times are caused by taxation."—WILLIAM PITT.

On the average, the rent of agricultural land in Belgium is 36s. 3d. an acre, against 20s. in England, a difference which amounts to about £19 a year, or 7s. 3d. a week on a holding of 25 acres. When it is remembered that the total net income of a small owner is very limited, it will be seen that the sum of 7s. 3d. a week is enough to make, the difference between straitened and easy circumstances.—B. SEEBOHM ROWNTREE, in "Land and Labour."

UNEMPLOYMENT.

ITS CAUSE AND ITS CURE.

Look around and you will see on all sides evidences of unemployment. Have you ever thought out what causes unemployment—what is the real reason why so many men cannot get the opportunity of exchanging their labour for wages? Has it ever occurred to you that there is a kind of systematic holding back of these opportunities which men want?

Let us inquire into this view of the matter. Have you ever thought, when sitting in a room—as you may be now—to look around and see if you can find anything in the room, in the house, outside the house, in the town, in the country or in the world, which has not a common origin in land? The chair you sit on is made from wood from trees grown on land; the linen curtains from flax grown on land; the hearth rug from wool, which comes from sheep, which are bred on grass grown on land. The fire-irons are made of steel which comes from iron ore which comes out of the land; the gas which lights the room comes from coal which comes out of the land. The house itself is built of bricks and stone which come from land. Ransack your mind for any substance or combination of substances which you can think of and you will find nothing which does not come from land. Land is the source of everything.

And how do these things assume the forms in which you see them? The answer is simple—by labour, by men employing themselves. And what is it that assists men to labour? The tools they use, and further, the credit which enables distribution and exchanges to be made—that is, capital, capital simply being stored labour or the credit of being "good" for the products of labour.

It is very simple you think. There is plenty of land in the world, there is plenty of labour, and there is plenty of capital. Put the three together, and there will be plenty of good things produced for everybody.

But there is something in the way which throws this machine out of gear, and that is a system which permits certain people to own land, to hold back what we clearly see is the source of all production, from labour and capital employing themselves. This system of land ownership is the real cause of unemployment, of poverty and all the misery that poverty brings.

We know a case in point—a very typical case—which will show what we mean very clearly, a pretty village in Berkshire where City men in particular would like to dwell because of the good railway service and because of the beautiful and healthy surroundings. All the land is owned by two landowners. There are some beautiful sites for houses suitable for men of moderate means and in certain positions the owners of the soil have put up boards, "This valuable building land to be sold or let on building lease." For fifteen years these boards have been up and there have been hundreds of applications for sites, but rarely has a deal been done; for the treatment applicants receive stops business. This is what happened four months ago:—A certain city man wrote to one of the landowner's agents asking the price of three acres upon which he had set his heart as a site to build a house on. It was a corner of a bare ploughed field of about 50 acres. After about six weeks' delay an answer came that the price was £1,500 or £500 an acre—and it was stipulated that a house of not less than £1,500 cost should be erected by the purchaser. The man who was enquiring, knowing something of the rental value of houses, pictured in his mind the sort of house that could be put up for £1,500 and found that the average kind of tenant for that kind of house standing on three acres of ground could not afford to pay more than £100 a year rent. He figured that this £100 a year rent, the income which would come from his investment, should he ever want to let the house, would not, as a marketable investment, fetch more than £2,000, so that he was really being asked to pay £3,000 for what was only worth £2,000. This meant that the price asked for the land, £1,500, was £1,000 more than its market value. He thought it over carefully and came to the conclusion, that being a wealthy man, he would not mind being bled to the extent of £500, and so he made an offer of £1,000 for the land. Two months have gone by up to the time of writing, and he has had no reply.

Please think what is happening. A man is willing to give employment to a builder to erect a house. The builder is then willing to give employment to bricklayers, to stonemasons, to carpenters, to joiners, to plumbers, to gas fitters and various other workmen, who in their turn would handle things produced

by brickmakers, by quarrymen, by wood merchants, by hardware makers, by pipe drawers, by metal merchants, by glass makers and all kinds of tool makers who again in their turn would employ labour. A golden chain of wages would immediately be set up. Employment for wages which would arise simply from the bringing of a small piece of land in Berkshire into proper use. But the chain would not stop here. For there would be tradesmen in the locality regularly employed, dairymen, butchers, grocers, bakers, and the like, all because a small piece of land is brought into use. But the landowner forbids it. It costs him nothing to keep the land out of use; for he knows that the tendency of the population is to grow and that the greater the pressure the more wealth men will surrender to get land. He wastes time only, so far as he himself is concerned, so far as other people are concerned he is causing them to starve.

This little case in point has doubtless brought to your mind a similar sort of case on the opposite side of your own street, round the corner, or maybe in the next street. Certainly within a stone's throw almost of where you are sitting something of the kind is happening. If a million people should chance to read this they will each of them be able to find with very little exercise of memory a parallel example and there in a nutshell is the actual and glaring cause of unemployment. Opportunity is kept away from willing workers in order that the owners of land may profit. Men, women and children are made to starve for want of the food which they could produce with their own hands, by producing either the food itself, or the wages which they could exchange for food. There could not be a more heedlessly cruel system.

The value of land is created by the labour and expenditure of the whole population, by the roads which the people provide, by the railways which the people cause to be made, by the exchanges, by the markets, by the water supply, by the gas, by the electric light, by the tramways, and by all public utilities made by population for the use of the population. All these things increase the value of land which the private owner of land enjoys without lifting a hand. And not only because he enjoys these unearned profits, but because he has the power to check production, to stop an investment of capital, and to stop wages coming to labour, poverty exists and men are out of work.

The remedy is at hand. Tax Land Values and make it unprofitable for owners of land to keep land away from labour and capital.

THE EFFECT OF THE BUDGET AND VALUATION.

The Budget, more especially the Valuation Clauses thereof, is having a marked effect on the Conservative Press in England and Scotland. The more sober section are in a state of wonder and conjecture, and, although discussing the subject and prophesying evil, do so in a tentative manner, betraying a confused state of mind. The *GLASGOW HERALD*, the *SCOTSMAN*, and the *MORNING POST* are all wrestling with various phases of the problem. The *GLASGOW HERALD* of May 11th, printed a very gloomy article entitled, "Scottish Feuing and Increment Duty" by Robert Guy. Various evils were prophesied as a result of the new Budget taxes, chief among them, the old story of injury to the building trade and increased rents. Bearing out our contention that the valuation leaves them at sixes and sevens, we found no mention of this, the part of the Budget having the most far reaching effect and most important bearing on the land question. However, the *HERALD* is evidently anxious to get to the bottom of the problem, and on May 13th published an article, dealing with the points raised in the May 11th article, by Alexander Mackendrick, the President of the Scottish League for the Taxation of Land Values. The *HERALD* should now see the light a little less confusedly, for Mr. Mackendrick effectively disposed of the contentions put forward by Mr. Guy. He showed that it is the old system which has produced exactly the results which are foretold in Mr. Guy's article as a result of the Budget taxes. As Mr. Mackendrick says, the slums, backlands and congested areas in Edinburgh, Glasgow, Dundee and other cities, condemn the Scottish feuing system, "as the worst among those available for comparison to the moderately travelled man." Mr. Mackendrick, like a loyal Scotsman sticks to his own side of the border, but the slums, backlands and congested areas—the result of the at least equally bad land system in England—are to be found, equally with Scotland, throughout the length and breadth of the land.

In the *SCOTSMAN* of 17th May, appeared a contributed article under the heading, "Duties on Land Values." The writer gave a technical explanation of the Finance Act as it affects life-renters, entail proprietors and bond-holders, making out

dark ruin to this class of the community. He concludes with the following rather pregnant statement:—

"Looking at it from a slightly different point, trustees, investors generally, solicitors and valuers have a totally new element to consider, which will become more serious and more complicated as time goes on, and which, put shortly, is—How much of the value of an estate belongs to the 'owner' and how much to the Chancellor of the Exchequer?"

Here again the kernel of the nut, valuation, is skilfully circumnavigated, the writer showing a painful shyness and indecision.

The *MORNING POST* on the 30th April, the day after the Budget passed into law, published, "Practical Points for Taxpayers," by Alfred Fellows. This dealt mainly with the valuation, and the manner of treatment reminded one of taking nasty medicine. The author seemed somewhat staggered to find that a true valuation was the best for the landowner, inasmuch as he would be "boomeranged" by either a too high or too low valuation. The justice of valuation has created bewilderment at least, in this quarter, and there is a plaintive note prevailing in the paragraph dealing with the difficulty of evasion.

The same writer has another article in the *Post* of 18th May, dealing with "The Finance Act and the Duty of Trustees." Here again there is a note of regret and confusion, because a too high or too low valuation will not benefit. The writer seems unable to reconcile himself to the justice of a true valuation, apparently desiring that the valuation should be entirely in the hands of landowners to raise or lower to suit their own ends.

One other indication of the unrest created in the reactionary forces by the progress of the taxation of Land Values is to be found in the fact that Captain Pretymann, for want of better argument, attacked Mr. Fels in the House of Commons and in the Press, because he is "a foreigner." It is a good testimony to the efficacy of our propaganda when opponents are reduced to these tactics.

The *AGRICULTURAL GAZETTE* on May 16th was nothing if not frank in making the amazing suggestion that:—

The assessment of gross value of land should be a secret between the commissioners and the owner, just as assessment for income tax is. . . . It might prevent authorities who have power to purchase land compulsorily from knowing what the new valuation is.

The *OUTLOOK* is also conscious of the changed situation and on May 7th published an article entitled, "Unionists and Land Policy." Although this particular contribution is written in a very tentative manner and may be regarded as kite flying or groping in the dark, yet it is intensely interesting to see these signs of the times in the Conservative Press.

Time was when the word valuation was taboo in this rarefied atmosphere, but the Valuation Clauses of the Budget have been the means of showing the Tory Party that there is a real Land Problem in this country.

GOOD-NIGHT TO THE BUDGET.

Good-night to the Budget!—the lobbies,
Their changes, and rumours of change,
Which startled the rustic Sir Bobbies
And made all the Tories look strange;
The breaches, and battles, and blunders
Performed by the Commons and Peers;
The Marquis's eloquent thunders,
The Baronet's eloquent ears;
Denunciations of Redmond and treasons,
Of German invasion and oats;
Misrepresentations of reasons,
And misunderstandings of notes.

Good-night to the Budget!—Another
Will come with its tellers and bores,
And hurry away, like its brother,
In closure, and tramping, and roars.
Will it come with a rose or a briar?
Will it come with a blessing or curse?
Will its taxes be lower or higher?
Will its schedules be better or worse?
Will it find me grown thinner or fatter,
Or fonder of wrong or of right,
Or married—or buried?—No matter:
Good-night to the Budget—good-night.

W. M. P. (redivivus), In *SATURDAY REVIEW*, April 30th.