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THE REAL NATIONAL POOL

Complete stoppage of the coal mines has continued during the past month, causing more and more industries to come to a standstill. As we write the Government are making further attempts to bring about a settlement, with a renewed offer of £10,000,000 as temporary grant in aid of reduced wages. The proposals include temporary surrender of owners' profits in the districts in which Government grants would be required, and a gradual reduction in wages "until they reach the economic level which the industry is capable of sustaining." The "national pool" to adjust wages or maintain poor mines at the expense of rich mines is ruled out from the proposed settlement, and miners are told they must abandon what they have made the main issue in the dispute.

Agreement on these lines would settle nothing. It would hand over to the owners of all the rich mines the benefits due to the superior advantage of the more valuable coal-bearing lands and leave wages to find their level after all the interests of the non-producer had been fully safeguarded. Government may as well try to solve the problem of agricultural wages by refusing to consider the part played by the rent of land and by suggesting some arbitrary scheme for labourers to carry landlords on their backs. The miners have experience of that kind of traffic in their own industry, and they have shown their determination to protest against such obvious injustice. They devised what they called the national pool so that, in Mr. Frank Hodges' words, the trade as a whole should enjoy the benefits of the differences in natural advantages. Yet the nature and function of that national pool and its proper distribution require more investigation than the miners themselves have given it. We recall the significant statement made by Mr. Vernon Hartshorn in the House of Commons on 18th April. He pointed out that according to the January figures, although the average loss on the Welsh coalfield was declared to be 14s. 6d. per ton, more than a quarter of the total output was sold at a profit, some of it more than 5s. a ton and most of it below 5s. a ton. If wages were reduced to cancel the average loss, some collieries would make more than 19s. 6d. per ton profit, others would make less, and others again would make no profit at all. Similar differences, varying within wide limits, occur in all the coalfields. What are those so-called profits which make mining so much more prosperous in one place than in another to an extent that cannot be attributed to better organisation or more efficient machinery? They arise independently of the amount of capital invested or effort put forth. Their origin lies not in the working or management of the mine but in the position and nature of the

mineral. The vital distinction between mine and mineral must always be made if one is to determine how much of the gains taken out of the mining industry is due to human activity and how much is due to the advantage of holding specially valuable coal-bearing land. That advantage can be valued. It can be assessed and its holders can be made to pay the value of the advantage into a common pool. In fact, the greater gains due to the possession of, or the legal right to exploit, coal-bearing land where the seams are thicker or of better quality or nearer the surface express what is true of land generally and account for economic rent.

Mr. Lloyd George objects to the establishment of a pool because that would require legislation and means an Act of Parliament setting up elaborate machinery. Of course legislation would be required to assess every contributor for the payment due from him. But the nature of the machinery depends on the pool. The less the value of land is mixed up with value due to capital expenditure and the results of labour (and the miners' scheme suffered from that confusion) the simpler is the machinery for pooling economic rent. All that is necessary is to give effect to the machinery already in existence and set up by Mr. Lloyd George himself in his Budget of 1909 for the valuation of all land apart from improvements. Parliament could then enact that each holder of land shall pay taxation in proportion to the value of the land he holds whether it is used or not.

The miners, the mineowners and the Government in all this dispute about the national pool are simply talking in terms of economic rent—the wealth that is produced from any land, coal-bearing or other, in excess of what can be produced from the least productive land in use with the same application of labour and capital. Economic rent provides the real national pool in respect of which Parliament will have to legislate if there is to be any solution of the social problem. And Parliament will legislate all the sooner when miners can come forward with a sounder argument than the plea that the rent of coal-bearing land belongs to the miners as miners or should be used to pay miners for digging coal at a loss.

That argument of the miners overlooks two factors. First, that if there is to be any "pool" at all of the kind, the owners of all coal-bearing land must be called on to contribute whether the coal is being actually worked or not. Enormous coal resources exist which lie undeveloped. The evidence given on the matter by Sir Richard Redmayne, which we cite elsewhere, is conclusive on the point and it throws a powerful light on the whole problem of the "non-paying mine." Secondly, the miners' argument overlooks the economic effects of enforcing payment to the pool from the owners of coal-bearing land that is withheld from use. In that land and in all its possibilities is to be found the real additional wages fund, if miners only had the freedom to take full advantage of it. But their scheme as it stands ignores all these resources, and as it does not make for any increased production either in mining or other industry, it can only advocate the absurd and untenable proposal to spend the rent of land within the industry itself and on mines that ought rightly to be closed down.

The truth of the matter is that the rent of all land, whether coal bearing or not *and whether used or not* belongs to the people as a whole, and its proper function is to provide public revenue for the public benefit. Here is the fund which should be established as a national pool for the well-being of all industry and production. Its diversion from private hands would remedy the wrongs of which not only miners but workers in all occupations complain. The provision of public revenues from the value of land would lift the load of taxation which now depresses industry, increases the cost of living and diminishes wages. The pool would be devoted to freeing both capital and labour from all those penalties and restrictions. But the taking of economic rent by taxation would remove the still greater obstruction of land monopoly—the withholding of land from use that could be profitably used. Why should miners have to beg employment and ask to be maintained on non-paying work by what amounts to charity, unless it is that they can find no other job? Why not abandon coal-mining if the wage is insufficient and try something else where better wages and real wages, free from the taint of any subsidy, may be obtained? The answer to these questions is clear enough. There are unlimited opportunities for the production of wealth, but the natural resources are artificially closed. Legislation can open all these avenues to employment by the simple reform which would concentrate taxation on the value of land alone.

A. W. M.
