

LAND & LIBERTY

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Here are two simple principles, both of which are self-evident :

I.—That all men have equal rights to the use and enjoyment of the elements provided by Nature.

II.—That each man has an exclusive right to the use and enjoyment of what is produced by his own labour.

There is no conflict between these principles. On the contrary, they are correlative. To secure fully the individual right of property in the produce of labour, we must treat the elements of Nature as common property.—*Henry George*: "Protection or Free Trade," chapter 26.

COAL AND THE NATION

It is safe to say that six months ago few business men, to say nothing of the general public, would have believed that to-day the nationalization of coal mines would be the burning issue in practical politics. It is one more evidence of the powerful trend of events which is bringing economic as distinguished from political questions more and more into public discussion. It is a noteworthy and sinister thing that we should find the professing authorities ignoring the teachings of Political Economy. They act and talk as if there is no Law of Wages with its correlative, the Law of Rent. That is to say, they ignore the fact that the more that goes to rent the less is left for wages.

Yet, problems which must be dealt with in the light of Political Economy have come to stay. The miners' action and the Reports issued by the Royal Commission on Coal have combined to bring the question of the ownership of coal and the industry of coal mining to the front. In the public eye there now seem to be but three possible courses to choose from:—

1st. Nationalization and State management.

2nd. Nationalization and management by committees of miners and employers.

3rd. Private ownership, with the present management more or less State controlled.

Abundant evidence came before the Coal Commission to show that the present system of winning the coal by some 1,500 separate colliery concerns and of distributing it by many thousand merchants involves much waste and overlapping of effort. We scarcely think this can be disputed, though if the case for nationalization of the mines is to be based on it, it is probable that every other private enterprise stands equally condemned. For who could say that agriculture in this country is either economically or efficiently conducted? It might be very much better done. There are many times more farmers than colliery companies and many times more corn merchants than coal merchants. And so with cotton, wool, metal and every other industry. There is no reason whatever why coal mining under private enterprise should be singled out as a failure. If it stands condemned, so does the private operation of every industry. But the question is whether the bureaucratic control inseparable from nationalization would make a better job of it than private enterprise does, and such evidence as was produced pointed, if anything, the other way. State purchase and management of the mines seem to involve quite as many drawbacks as the present system. But whatever difference there was on these points, one institution which lies at the base of our mineral industry met with universal condemnation, if we except the interested advocacy of its privileged beneficiaries and their satellites. This institution fell an easy prey to the assaults of Mr. Smillie.

We mean, of course, the royalty system by which tribute is levied on the industry by those who take no part either in the extraction or distribution of the product. For such a thing there was no disinterested defence. Whatever may be thought as to the right to a return to those who provide industrial capital, no man has ever yet made out a moral title to levy toll on access to the raw minerals.

The minerals exist for the benefit of all men. The reformer who takes his stand there is on sure ground, and we were entitled to hope that this basic truth would have provided the Royal Commission with a clue as to the lines on which its recommendations should run. Why should not the State, as representing the whole people, assert its right to the minerals and leave private enterprise unfettered in extracting them? Both the State and the individual would thus be allotted their proper spheres, and we would secure all the advantage of State control without suppressing the legitimate and beneficial activities of private enterprise. For be quite certain that both have their very definite and useful function to perform to the nation. What we have to do is to determine the bounds within which each must be left free. The ignorant, though widespread, belief (held for different reasons both by State socialists and by "stand pat" individualists) that State activity and private enterprise are necessarily antagonistic to one another has no foundation in fact. In truth, they are complementary and necessary to one another, provided each is confined to its proper province. In determining these limits we must proceed on scientific lines in order to retain for the community the benefit of both.

If we apply this idea to the industry of coal-getting we shall find that every colliery is of a dual character,

consisting firstly of the raw mineral as furnished by nature, and secondly of the pit engines, plant, etc., furnished by man. All men have, by the law of their being, equal right of access to the former. It can, therefore, never be rightful private property. But the latter is on quite a different footing. Why, then, should not the minerals be nationalized, and the work of the mines left to the full and free play of private enterprise? Such a division is strictly in harmony with our principle. The minerals being declared national property, let the nation proceed to lease them to those who will pay the highest rents. The State, having then secured its natural revenue, could abstain from its present folly of imposing heavy taxation on the extraction of coal and from much of the meddling it now indulges in. The minerals to the State: the mines and their management free to enterprise, subject to payment of rent to the State.

But both the State socialist and the "stand pat" individualist refuse to accept this explanation. They both insist on treating the mines as if the coal seams and the plant were of one and the same nature. Can we wonder if their plans lead to confusion, strife and futility? Mr. Sydney Webb and Mr. Harold Cox, those protagonists of State Socialism on the one hand, and rigid Individualism on the other hand, are equally at sea. They are at present engaged in controversy on this very subject in the *LONDON MORNING POST*. By a sound instinct, Mr. Webb fastens on the royalty question. He shows quite easily that this private tax on minerals is a blank injustice to miners, employers, and the public alike. He easily shows that it should be a State charge. Then the juggle begins. He proceeds to change his terms and quietly substitutes "mines" for "minerals" (this perhaps without detection by the reader), and so contends that the mines (coal, shafts, engines, and plant and all) should by right be State owned and State managed. He seems to expect that his readers, not having noticed the distinction between mines and coal, will be induced to accept holus-bolus his pet scheme of State Socialism.

His opponent, Mr. Harold Cox, by a similar *tour de force*, arrives at precisely the opposite conclusion. He starts by driving home the undoubted drawbacks of State management of an industry such as mining. Having made a good case of this, he then talks of minerals as if they were mines, and thus appears to make a case against the State having any better rights over the minerals and the royalties attached to them than it has over the mines and the plant. Thus by a process of confusing things which are different, two equally clever men arrive at conclusions equally absurd and opposite.

It is often held by both these schools that the royalty question is insignificant, as it only amounts to about 7d. per ton raised. In these columns it has been shown again and again that the royalty question is only one part of the great land question and ought not to be treated separately from it. Compared with the whole land question its relative importance may be considered small, but it should be carefully noted that before the Royal Commission it was shown that profits on collieries vary from nil to 13s. per ton. Now, it is not possible that this great diversity is due entirely to superior management of the more fortunate concerns. On the

contrary, it is a fact that the poorer ones are sometimes the better managed. So in those cases where the difference is not due to better management the rent (royalty) goes to the colliery companies instead of to the landowners. In other words, the colliery companies and the landowners, in such cases, share the rental value of the coal, the whole of which should go to the community. We think it may safely be said that the total amount appropriated in royalties by landlords and colliery companies (loosely called "profits" in the latter case) is much beyond the eight millions per annum at which royalties are usually estimated. Then wherever collieries exist, surface ground rentals are created in addition, for the value of the land on the surface is enormously increased. This private tax it is probable far exceeds the royalties, and but for this the mines would not be there. These are secondary matters. One thing is certain: if ever we are to deal on rational and enduring lines, not only with the working of our mines, but also with the conduct of industry as a whole, we shall have to make up our minds to treat these questions in a scientific manner. It is admitted that State action has its uses and its proper sphere. And so has private enterprise. Without either the world would be infinitely poorer. How shall these spheres be determined? At present all is chaos and confusion. Our endeavour is to give some clue as to where the dividing line should be drawn if risky experiments with possibly disastrous results are to be avoided.

Let us take another view of this much-debated question. Politicians, publicists and popular writers in the Press are on the hunt for an answer to the riddle of the sphinx, and there seems to be none. The question is: How to obtain a rise in wages without causing an equivalent rise in prices. We are told the thing is impossible, and we agree that *under existing conditions* it is. But we have it on evidence that to-day some eight million pounds are yearly taken from this industry by mineral owners who perform no service in return. We have also shown that part of the "profits" of many colliery companies consists in disguised royalties which are not collected by the mineral owners: how much can only be determined by actuarial analysis.

The point is that here we have a fund of millions which could be tapped to provide an advance in miners' wages without raising the price of coal by a single penny piece. This is so because those who now appropriate this fund are non-producers, so that its diversion to producers can be accomplished without putting up prices or causing the diminished output which is certainly risked by any attempt to curtail *legitimate* profits. And if we generalize by applying this principle to the rent of all land and to the tribute levied on all production by private rent, we shall find that wages can be raised all over without adversely affecting any prices or any industry.

The laws of nature cannot be evaded, and the sooner statesmen, lawmakers, and leaders of men face the facts that if ever we are to get out of this blind alley the economic rent of land must be diverted from private pockets into the public exchequer, the sooner shall we attain to a prosperous, contented and stable society.

W. R. L.