

## Problem of the Unjust Distribution of Wealth

THE problem of the production of wealth may be regarded as solved. Today our country, and every other civilized country on the globe, produces, or with the knowledge and powers at its command could produce, wealth more than sufficient to satisfy the rational desires of all its people. It is the problem of distribution alone that still awaits solution. The dire social ills which to many may seem the inevitable accompaniment of our advance in material progress—insufficient earnings, unwilling unemployment of millions of men.

The undeserved helpless poverty, and its attendant train of misery, disease, vice and crime, are all directly traceable to the prevailing unjust distribution of wealth. Therefore, the social problem of the twentieth century may be briefly summarized as follows: How can the equitable distribution of the natural wealth be secured for all those who with brain or muscle directly or indirectly contribute toward its production?

All wealth has to be produced by labor from land. This term, bear in mind, includes all natural forces and opportunities inherent in land. Hence we may safely conclude that the social customs that regulate and determine the relations of the masses of mankind to the land of the country they inhabit must necessarily remain the main factor which determines their social, political, industrial and economic conditions.

This article is written to bring home to the reader the fundamental importance of the land question as offering the master key to the solution of the problem. For no real solution of the social problem is possible without the solution of the land question. Every effect has a cause, and every fact implies a preceding fact. Let us attempt to solve by the methods of political economy the great problem we have outlined.

The three things, say political economists, are required to produce wealth: Land, Labor and Capital. Land refers to Nature, the whole material universe outside of man himself. Labor refers to all human exertion, and Capital to the tools of production, or that part of wealth used in the production of more wealth.

Three things also divide the wealth produced: Rent, Wages and Interest. Rent is that part of the wealth produced which goes to the land owner for the use of land, Wages, that part of wealth produced which goes to labor for services performed, and Interest, that part of the wealth produced which goes to the capitalist for the service of capital.

Now, the tendency of material progress (and by material progress is meant the increase in population, improvements in the arts of production and exchange, inventions, etc.) is always to increase the tribute of the land owners; never to advance proportionately either wages or interest

(read that last sentence again, and I mean, of course, true wages and interest), but always to advance ground rent, to raise the value of land and nothing else.

As Dr. Adam Smith, "the father of political economy," wrote in his great book, "The Wealth of Nations" (Book 1, Chapter 11), published in 1776: "Every improvement in the circumstances of society tends either directly or indirectly to raise the real rent of the land, to increase the real wealth of the landlord, his power of purchasing the labor or the produce of the labor of the people."

Or as John Stuart Mill in "Principles of Political Economy" (Book 5, Chapter 11, Sec. 5) has put it: "The ordinary progress of society which increases in wealth is at all times tending to augment the incomes of the landlords; to give them a greater amount of the wealth of the community, independent of any trouble or outlay incurred by themselves. They grow richer, as it were, in their sleep without working, risking or economizing."

The value of the bare land in the United States has risen from 0 in 1607 to \$170,000,000,000 in 1930. Upon this vast sum the land-owning classes are collecting a ground rent estimated at \$13,600,000,000 annually—which means, as we have seen, that since produce equals rent plus wages plus interest, labor and capital must be satisfied with what is left after ground rent is taken out.

Let me quote Henry George in "Social Problems": "As it comes more and more difficult to obtain land, so will the virtual enslavement of the working classes go on. As the value of the land rises, more and more of the earnings of labor will be demanded for the use of land—that is to say, laborers must give up a greater and greater portion of their time to the services of the landlord until finally no matter how hard they work, nothing is left them but a bare living."

These conditions cannot be allowed to continue. Much less can they be allowed to grow worse. Yet this is the very tendency that is now going on. We are inventing 50,000 new labor saving devices every year, multiplying the power of labor and capital. We are effecting improvement after improvement in the arts of production and exchange, yet these are only enabling the owners of the earth to levy more tribute, only enabling them to further push up ground rent.

Rent is the price of the monopoly of natural resources, which human exertion can neither produce nor increase; and since land is the source of all wealth, may we not with certainty infer that the cause of the unjust distribution of wealth is that labor and capital are denied free access to land—the earth. Land is the very foundation of the social structure, and so long as we allow the land owners to absorb the ever rising land values, all the advantages of greater improvements, new inventions and discoveries, superior modes of production and exchange must necessarily go to the few instead of to all the people.

The earth itself is the gift of Nature to all continuing generations of mankind, and the increased value of its use



arises solely from the demand for it arising from the mere presence of population. There is only one solution: we must forever destroy land monopoly. We can do it by the simple method of taxing land values only. By taking the ground rent that now goes into private pockets for public purposes we can abolish all other taxes in whatever form.

This would destroy the privilege of land owners to reap where they have not sown, and would make all the unused land practically free to whomsoever wished to use it. Does it require severe intellectual effort to see the result? Labor and capital would then receive all that they are entitled to receive—the full product.

No longer would the non-producers gain at the expense of the producers. But the producers would gain at the expense of the non-producers, receiving the full benefits of advancing civilization. The problem of the unjust distribution of the wealth produced would then be solved, in the only way it can be solved, by recognizing the equal right of all men to the free use of Nature's bounty—the earth.

W. A. CRONENBERGER, in *Ohio State Journal*.

## Looting the Public Domain

**S**ELFISH, unscrupulous private interests, aided by corrupt public officials, have robbed this country of its choicest public domains, with the result that comparatively poor resources which "the looters" overlooked are all that remain in the public possession, the fourth volume of the *Encyclopedia of the Social Sciences*, published by the MacMillan Company, declares in an article on conservation.

The article is written by F. G. Tryon, an expert attached to several United States bureaus and a member of the editorial staff of the encyclopedia. Professor Edwin R. A. Seligman of Columbia University is editor-in-chief of the encyclopedia's staff.

The administration of Secretary of the Interior Albert B. Fall is condemned particularly in the criticism of the "looting" of the public domains. The article declares that "the administration of the naval oil reserves under Secretary Fall reached the lowest depths of corruption."

The article declares the searchlight of publicity on public corruption after the scandals of the Harding administration aroused the public to the importance of conserving what remained of the once widespread public resources. By the passage of new land laws the conservation movement accomplished one of its primary aims, "the protection of the remaining public domain against looting by private interests," the article asserts.

"The resources to which the nation thus retained title were, however, largely marginal, represent, except for water power, only what private interests had overlooked or passed by as of small value."

*New York Times*, June 23, 1931.

## Private Property

**T**HE Bible says: "the land is mine saith the Lord, and shall not be sold." And again: "the heavens even the heavens are the Lords, but the earth He has given to the children of men." Yet about 95 per cent of the human race is disinherited, and have no right to one square inch of God's bounty, which He created equally for all His children. Please explain.

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Your first text refers to the divine prohibition against selling land beyond the year of jubilee, at which time the land was to be returned to its former owner. See Leviticus chapter 25:23.

The second text shows that God is the absolute owner of all things, since He created them. But by explicit revelation He has given the land to the children of men for their temporal sustenance. God remains absolute owner of all creation, whereas man enjoys only the dominion of use in subjection to God's sovereign right. Man shares in a certain degree in the dominion of God because he has been made according to God's image and likeness. On account of this likeness God said of man: "let him have dominion . . . over the whole earth." (Gen. 1:26.)

This divine grant is not to be understood to mean that a certain portion of this earth has been assigned by God to every individual directly, but in the sense that every man because he is a rational being, *has the inherent right to possess land*, and other external things, as his own.

It is no discovery to find that a strong minority of the human race controls a major portion of the earth. This *unequal distribution* of the land is one of the greatest causes of civil unrest. It gives a handle to the socialist school to advocate the abandonment of the principle of private ownership. The unlimited ownership of land by a few is an abuse of a divine grant no one of common sense will dare to deny. But the gross abuse of the principle of private ownership does not forbid its use, or demonstrate its falsity.

Something, however, must be done towards enabling more people to become land owners, for economic stability will hardly be attained unless the major part of the human race has a small share of what God has granted to all.

*The Sign*, June, 1931, published by the Passionist Fathers.

**T**HE debt recess, if accepted by all nations involved will not admit our products to Canadian markets from which they have been excluded by the retaliatory legislation of the Dominion.

CLAUDE BOWERS in *New York Journal*.

**T**HE great labor problem during the civil war time was to obtain the requisite number of workers for the fast expanding industries of the land, the more so because industry had to compete with the appeal of great areas of free land in the West. Labor began to organize. During the stern years of the 1870's there was a series of war strikes.—*Boston Herald*.