

reason to suppose that such conditions would continue, and every reason to suppose that increased planting would take place unless some steps were taken."

How embarrassing it is to our Government that nature is so prolific. If only Mr Elliot and his colleagues had had the planning of the universe, they would have saved us from these difficulties. Meanwhile we suggest a neglected avenue for his activities. The Board of Agriculture, the research stations, and the Universities have for many years been busy trying to discover means of making two blades of grass grow where one grew before. In the interests of scarcity and dearness this scientific work should be sternly discouraged, if not completely suppressed!

The Meat Subsidy.

During the last month a measure has been rushed through Parliament for giving a subsidy to cattle growers of £3,000,000. The Minister of Agriculture stated that this was a temporary measure. The final scheme is intended to restrict the import of meat from abroad and impose a levy on imported meat. The proceeds of the levy are to be used to subsidize the home producer. As it is the poorer sections of the population who mainly use imported meat, the net result will be a tax upon them partly for the purpose of making home-grown meat cheaper for the well-to-do, but mainly for the purpose of keeping up the rent of agricultural land. As Mr Tom Williams said in the debate on the Bill (16th July), the miner with less than 30s. a week on which to maintain himself and his wife would be called upon to pay a levy for the owner of the land on which the agricultural labourer works.

Mr Elliot hardly attempted to disguise the real purpose of the levy. He spoke of the danger of jeopardizing £1,000,000,000 of capital invested in agriculture. It would be interesting to know how much of this is land value and how much is real capital. He put the income from this "investment" at £180,000,000 a year. If this computation is correct the owners of agricultural land and capital are receiving 18 per cent. upon their "investment." This is a very handsome return, and yet the majority of consumers of a staple article of food are to be taxed for the benefit of a small minority who are doing very well.

Electricity Profits and Relief of Rates.

Manchester City Council, at its meeting on 13th June, decided to take £90,000 from the profits of its electricity undertaking for the relief of rates. This means that one section of the population will be subjected to an indirect tax in the form of higher prices for electricity in order to reduce the rates payable by other people. It will delay the time when all the streets are equipped with cable. According to one member of the Council, not half the streets are yet laid with mains. It will therefore prolong the period during which Manchester will suffer acutely from its smoky atmosphere. One class in Manchester may, however, rejoice. The reduction in rates will, under present conditions of shortage and monopoly, enable the landlords to obtain higher rents. Recent housing inquiries have revealed the colossal figure at which land values stand in the slum areas of Manchester. It is in the direction of the rating of land values that the City Council should look for a new source of public revenue, and not to an impost on the consumers of a necessary commodity.

A Subsidy for Shipping.

The President of the Board of Trade, Mr Runciman, announced on 3rd July that the Government were to give a subsidy of £2,000,000 to tramp shipping for one year only. The proposal is described as a "defensive subsidy" or as a "subsidy to end subsidies." The idea

is that it will induce foreign governments which subsidize shipping to abandon that policy. This reminds one of some other famous phrases, such as "war to end war" and of "tariffs for retaliation" as a means to persuade other countries to adopt free trade. It will be interesting to see what happens after the end of the year. One result is fairly certain: the shipowners having once tasted the taxpayers' blood will thirst for more.

THE HEART OF THE PROBLEM

By W. D. Hoffman

The nation now has:—

1. Present wealth.
2. Natural resources, from which all this wealth has come and from which all future wealth must come.

Here, then, we approach the key to the situation. More urgent than to divide up and properly distribute present wealth is the need of considering the source of future wealth, the most vital factor of all—natural resources, land, the earth itself, Nature's great storehouse.

How foolish to distribute present wealth while leaving in the hands of less than three per cent. of the population the natural resources of the whole country!

If perfect diffusion of all present wealth were achieved and the earth itself remained in few hands, the 97 per cent of the population would quickly place into the hands of the three per cent. all future created wealth.

There are but three factors in wealth production, on which all established economists have agreed:—

1. Land (natural resources).
2. Labour (human energy).
3. Capital (the tool, itself the product of labour).

The two primary factors are land and labour. Primitive man lived without capital. Man could do so again if he had access to land—natural opportunity.

So, very plainly then, the heart of the problem is this factor of the land itself—not agricultural land exclusively, since that represents a minor part of land value, but city sites, ore lands, rights of way, oil lands, harbour frontage—all those phases of earth values made rent-yielding by the presence of population.

Land is not man-created; it is a natural heritage of all whose very existence depends upon it. And since man is a land animal, he must use land in some form or perish. He can survive neither in the air nor in the water. On both moral and utilitarian grounds, the common right of all human beings to earth use must be recognised.

But it is not feasible to divide up the land, to parcel out our natural resources. Even if that were possible, in less than a generation the holdings would again be disproportionate.

It was the discovery of Henry George in his distinguished work, *Progress and Poverty*, that equal right to the earth could be simply accomplished by payment to society by each user of land of the equivalent of that which he withheld from others. In other words, the full taxation of land values into the public treasury would free the earth to all mankind.

If this basic step were taken, present accumulated wealth need no longer be a problem. New wealth would quickly rise to replace the old, which gradually would disintegrate and fade away. It is of the nature of wealth to decay. Its extortionate power through distress-interest and special privilege would be gone for ever.

Previous depressions were ended by the migration of the unemployed to free land in the west. To-day there remains no free land—though there is much *idle* land, even in our great centres of population. But we may make even occupied land free in essence by requiring payment to society of the value of the privilege of exclusive use. This would absorb economic rent (the social yield of land) for the benefit of all.

The land question is the heart of the problem to-day even as in the time of Moses. Other things need to be done, truly, but until this basic correction is made we shall have a disinherited, impoverished population regardless of all the mechanical and technical progress of man.

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