

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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