

# letter from the editor

When we see the harmful consequences of the unjust distribution of wealth that exists in our world it is tempting to seek interventions that will immediately remedy things. It is natural to desire justice when we see injustice. But remedies that are not properly thought through will not work, or may even make matters worse. There are many such interventions that governments have made, through genuine good will, but which have not solved the problems they addressed. We could take Housing Benefit as an example. Its immediate effect was to alleviate a housing problem, but in the long run it has contributed to the exploitation of the rented sector, and now government cannot meet the rising cost of its implementation. As a result people are being forced to leave the large cities for cheaper housing elsewhere. Henry George was fully aware of such false remedies. In Chapter 9 of *Social Problems* he writes:

*“For every social wrong there must be a remedy. But the remedy can be nothing less than the abolition of the wrong. Half-way measures, mere ameliorations and secondary reforms, can at any time accomplish little, and can in the long run avail nothing.”*

One of the great temptations is to take from the rich and give to the poor. But to this temptation George replies:

*“Nor yet could we accomplish any permanent equalization in the distribution of wealth were we to forcibly take from those who have and give to those who have not. We would do great injustice; we would work great harm; but, from the very moment of such a forced equalization, the tendencies which show themselves in the present unjust inequalities would begin to assert themselves again, and we would in a little while have as gross inequalities as before.”*

Inequality would return in the long run because the underlying cause of unjust distribution would not have been addressed. The remedy is to remove the causes that obstruct the just distribution of wealth in the first place. No other intervention is needed:

*“It is not necessary for us to frame elaborate and skilful plans for securing the just distribution of wealth. For the just distribution of wealth is manifestly the natural distribution of wealth, and injustice in the distribution of wealth must, therefore, result from artificial obstructions to this natural distribution.”*

And what is the just distribution of wealth?

*“It is that which gives wealth to him who makes it, and secures wealth to him who saves it... And that this just distribution of wealth is the natural distribution of wealth can be plainly seen. Nature gives wealth to labour, and to nothing but labour. There is, and there can be, no article of wealth but such as labour has got by making it, or searching for it, out of the raw material which the Creator has given us to draw from... This is the natural order.”*

How, according to George, is this to be accomplished?

*“All we need do to secure a just distribution of wealth, is to do that which all theories agree to be the primary function of government -*

*to secure to each the free use of his own powers, limited only by the equal freedom of all others; to secure to each the full enjoyment of his own earnings, limited only by such contributions as he may be fairly called upon to make for purposes of common benefit. When we have done this we shall have done all that we can do to make social institutions conform to the sense of justice and to the natural order.”*

In these passages George reminds us that we need to understand the causes of the unjust distribution of wealth before we are in a position to attempt any course of action. He is not proposing an ideology, but an enquiry into how things work. If we can really see how the present unjust situation is rooted in what he calls ‘artificial obstructions’ to the ‘natural distribution’ of wealth, then we will see that any forced mitigations will be of small value in the long run. We must seek to understand before acting.

What is striking in these passages, apart from that salutary reminder, is George’s repeated use of the words ‘justice’ and ‘natural’. Unjust distribution of wealth is ‘unnatural’, against the ‘natural order’ or obstructing ‘justice’. This is not a vocabulary we find in modern economic theory. Yet if the understanding of economics is natural for all people, as George maintains, then this vocabulary must be right. To put that another way, if the study of economics is not the study of natural justice, then it is not a proper study at all. The alternative is to suppose, like Hobbes, that society is an artificial construction where justice has no part and in which ‘laws’ can be made and unmade at will. For him such laws are made only with a view to subduing our natural inclinations and desires, not in order to align institutions and actions with natural justice.

George clearly has a nobler conception of human nature, and therefore of society itself. The evils of society, such as poverty and inequality, are ‘obstructions’ to the natural state of society.

*“This, and this alone, is what I contend for - that our social institutions be conformed to justice; to those natural and eternal principles of right that are so obvious that no one can deny or dispute them - so obvious that by a law of the human mind even those who try to defend social injustice must invoke them.”*

This, surely, embraces the spirit of our enquiries into economics. If we are seeking to remedy the economic injustices of society, then we are seeking to bring it into a state of natural justice. This is quite different from intervening in the distribution of wealth. All that is required is to prevent wealth being misappropriated as unearned income. The establishment of a land tax would bring this about naturally. So, rather than seeking ways of intervening in the distribution of wealth, which would only introduce further anomalies, what is needed is an understanding of the natural order of society beneath the distortions brought about by injustice.



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