

CHAPTER VIII FROM THE BOOK:

THE FOUNDATIONS OF FREEDOM: THE LAND AND THE PEOPLE

A Series of Essays on the Taxation of Land Values

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The Distribution of Wealth

” The immutable character of the Laws of Distribution (of wealth) is even more clearly and quickly recognized than the immutable character of the Laws of Production. Princes, politicians, and legislators, attempt to influence distribution, but they always try to do it, not by aiming at distribution directly, but by aiming at distribution' indirectly, through laws that directly affect production.”— Henry George. The problem presented to us in the Laws of the Distribution of Wealth is that of wages. It is here we get the reply to the Sphinx riddle,” Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living ?” That reply is:”Three things unite to production—labour, capital, and land. Three parties divide the produce —the labourer, the capitalist, and the landowner. If, with an increase of production the labourer gets no more and the capitalist no more, it is a necessary inference that the landowner reaps the whole gain.” To put it in another form:”Labour cannot reap the benefits which advancing civilization thus brings, because they are intercepted. Land being necessary to labour, and being reduced to private ownership, every increase in the productive power of labour but increases rent—the price that labour must pay for the opportunity to utilize its powers: and thus all the advantages gained by the march of progress go to the owners of land, and wages do not increase. Wages cannot increase; for the greater the earnings of labour the greater the price that labour must pay out of its earnings for the opportunity to make any earnings at all.”

The Distribution of Wealth is the assignment of ownership, Henry George elsewhere tells us, and must determine property in the things produced. Manifestly something is therefore wrong when so great a proportion of the rewards of labour go to those who take no part whatever in the production of them. This definition raises the Laws of Distribution far above the level assigned to them by most last century writers on Political Economy, and establishes the fact that these laws are as much laws of nature as those concerned in the production of wealth, though differing from the latter in that whilst the Laws of Production are physical laws, the Laws of Distribution are moral laws.

”In considering the production of wealth” says Henry George, in his “Science of Political Economy,” “we are concerned with natural laws of which we can only ask what is, without venturing to raise the question of what ought to be. Even if we can imagine a world in which beings like ourselves could maintain an existence and satisfy their material desires in any other way than by the application of labour to land under relations of uniform sequence not substantially different from those invariable sequences of matter, motion, life, and being which we denominate physical laws, we cannot venture to apply to these physical laws of which we can primarily say only that they exist any idea of ought even in matters as to which we can imagine considerable differences between the physical uniformities that we observe in this world, and those that might exist in a world in other respects resembling this—such for instance as might be brought about by a change in the distance of our earth from the sun, or in the inclination of its axis to the ecliptic, or in the density of its atmospheric envelope; or even by a change in such uniformities as seem to us to involve exceptions to a more general uniformity, like that exception to the general law of the contraction of water in cooling which causes it at the freezing point to expand—there is nothing that has any reference to right or justice, or that arouses in us any perception of ought or duty.

”For the perception of right or justice, the recognition of ought or duty has no connection with or relation to two of the three elements or categories into which we may by analysis resolve the world as it is presented in consciousness to our reasoning faculties. That is to say, right or justice, ought or duty, do not and cannot have any relation either to matter or to energy, but only to spirit. They presuppose conscious will and cannot be extended beyond the limits in which we recognize or assume a will having freedom to act.

”Thus it is that in considering the nature of wealth or the production of wealth we come into no direct and necessary contact with the ethical idea, the idea of right or justice. It is only when and as we endeavour to pierce behind the invariable uniformities of matter and motion to which we give the name of Laws of Nature and recognize them in our thought as manifestations of an originating or creative spirit, for which our common name is God, in its dealing with other, and though inferior, essentially spiritual beings, that the Idea of right or justice can have any place in that branch of Political Economy which deals with the nature of wealth or the laws of its production.

But the moment we turn from a consideration of the Laws of the Production of Wealth to a consideration of the Laws of the Distribution of Wealth, the idea of ought or duty

becomes primary. All consideration of distribution involves the ethical principle; is necessarily a consideration of ought or duty —a consideration in which the idea of right or justice is from the very first involved. And this idea cannot be truly conceived of as having limits or being subject to change, for it is an idea or relation, like the idea of a square, a circle, or of parallel lines which must be the same in any other world, no matter how far separated in space or time, as in this world. It is not without reason that in our colloquial use of the words we speak of a just man as ‘a square man’ or ‘a straight man.’ As Montesquieu says: ‘Justice is a relation of congruity which really subsists between two things. This relation is always the same, whatever being considers it, whether it be God, or an angel, or, lastly, a man.’”

That is the Law of the Distribution of Wealth, and no one can look around today on the prevailing disparities without being profoundly impressed with the conviction that we are suffering the consequences of violation of that law. It is a fact that no man can possess wealth and not produce it without causing other men to produce wealth and not retain it, and so long as that state of things continues it is vain to hope to satisfy the claims of justice or in any way to prevent poverty and all its evils by legislative interference or control of the affairs of the industrial population. The Law of the Distribution of Wealth requires that justice and not charity shall be the first and last consideration of a nation.