

RESTORATION OF EQUAL RIGHTS

Does it Involve Compensation?

(From Chapter XI, Part III, of Henry George's "*A Perplexed Philosopher*")*

THE IDEA of compensation with which we are concerned is the idea of compensation for the abolition of something in itself conceded to be wrong. Yet it is based on moral grounds, and raises what is purely a moral question.

Those who assert this necessity of compensation for the abolition of what in itself they concede to be wrong contend that the state has incurred a moral obligation by its previous acquiescence. They say that while it would be right for it to refuse such acquiescence in the first place—as to prohibit slavery where it does not yet exist; to refrain from making private property of new land; to refuse to grant new pensions or impose new protective duties or grant new special privileges—yet where it has already done such things the state is morally bound to those who have accepted its action; and for it to destroy the value of property already acquired under its sanction would be in the nature of a retroactive law.

But in this there is evident confusion. If it were proposed that the state should undo what has already been done under its sanction—as, for instance, that it should declare invalid titles to the proceeds of slave labour already rendered, and give the slaves legal claim for previous services; or if it should call on the beneficiaries of protective tariffs for profits they had already acquired—then this reasoning might have weight. But it is not retroactive to declare that for the future the labour of the slave shall belong to himself, nor that for the future trade shall be free. To demand compensation for action of this kind is to assert, not that the state must be bound by what it has already done, but that what it has already done it is morally bound to continue to do.

The state has nothing that does not belong to the individuals who compose it. What it gives to some it must take from others. Abolition with compensation is therefore not really abolition, but continuance under a different form—on one side of unjust deprivation, and on the other side of unjust appropriation. When on the abolition of a hereditary pension the holder is compensated, he receives in money or bonds a sum calculated to yield him in interest the same power of annually commanding the labour of others that the pension gave. So compensation for the selling value of a slave, which disappears on the refusal of the community longer to force him to work for the master, means the giving to the master of what the power to take the property of the slave may be worth. What slave-owners lose is the power of taking the property of the slaves and their descendants; and what they get is an agreement that the government will take for their benefit and turn over to them an equivalent part of the property of all. The robbery is continued under another form. What it loses in intention it gains in extension. If some before enslaved are partially freed, others before free are partially enslaved.

The moral law appealed to in the demand for compensation must be the moral law that binds individuals. Now the moral law cannot sanction immorality. It must hold as void even a specific contract to do wrong. But in the cases we are considering there is no contract. The claim is merely that the state by its wrongful action having given rise to the expectation that it would

continue such wrongful action, is morally bound, should it decline to do so, to compensate those who have invested in this expectation. Would such a claim hold as between individuals? If, for instance, I have been accustomed to spend my earnings in a gambling-house or rum-shop till the proprietor has come to count on me as a source of regular profit, am I morally bound to compensate him if I stop? Or if an innocent purchaser has bought the business on the expectation that I would continue, does that bind me to compensate him?

Take private property in land. Where the expectation of future growth and improvement is in every advancing community a most important element in selling value, the effect of the idea of compensation will be to keep up speculation, and thus to prevent that lessening in the selling value of land, that gradual accommodation of individuals to the coming change, which is the natural effect of the growth of the demand for the recognition of equal rights to land.

The question we are discussing is necessarily a moral question. Those who contend that the state is the source of all rights may indeed object to any proposed state action that it would be inexpedient, but they cannot object that it would be wrong. Nevertheless, just as we find the materialistic evolutionists constantly dropping into expressions which imply purpose in nature, so do we find deniers of any higher law than that of the state vociferous in their declarations that it would be wrong, or unjust, or wicked, for the state to abolish property of this spurious kind without compensation. The only way we can meet them with any regard for their professions is to assume that they do not quite understand the language, and that by such expressions they mean that it would be inexpedient. Their argument, I take it, may be most fairly put in this way: Experience has shown respect for property rights to be greatly conducive to the progress and well-being of mankind, and all rights of property resting (as they assert) on the same basis, the recognition of the state, the destruction of a recognised right of property by action of the state would give a shock to and cast a doubt over all rights of property, and thus work injury.

Of different nature is the plea sometimes made, that compensation, by disarming opposition, is the easiest and quickest way of abolishing a vested wrong. As to this, not only is compensation not abolition, not only does its advocacy tend to keep in full strength the pecuniary interests which are the greatest obstacles to the reform, but it renders it impossible to arouse that moral force which can alone overcome an entrenched wrong. For to say that men must be compensated if they are prevented from doing a thing is to say that they have a right to do that thing. And this those who intelligently advocate compensation know. Their purpose in advocating compensation is to prevent abolition.

What this plea for compensation amounts to is, that it is cheaper to submit to wrong than to stand for right. Universal experience shows that whenever a nation accepts such a doctrine of submission it loses independence and liberty without even gaining peace. The peace it will secure is the peace that declining Rome bought of the barbarians, the peace of fellaheen and Bengalees.

All pleas for compensation on the abolition of unequal rights to land are excuses for avoiding right and con-

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tinuing wrong ; they all, as fully as the original wrong, deny that equalness which is the essential of justice. Where they have seemed plausible to any honestly minded man, he will, if he really examines his thought, see that this has been so because he has, though perhaps unconsciously, entertained a sympathy for those who seem to profit by injustice which he has refused to those who have been injured by it. He has been thinking of the few whose incomes would be cut off by the restoration of equal rights. He has forgotten the many who are being impoverished, degraded, and driven out of life by its denial. If he once breaks through the tyranny of accustomed ideas and truly realizes that all men are equally entitled to the use of the natural opportunities for the living of their lives and the development of their powers, he will see the injustice, the wickedness, of demanding compensation for the abolition of the monopoly of land. He will see that if any one is to be compensated on the abolition of a wrong, it is those who have suffered by the wrong, not those who have profited by it.

We who propose that natural and therefore easy method of restoring their equal rights to men, which for the purpose of clearly differentiating it from all schemes of land nationalization we call the single tax, do not propose to take from landowners anything they now have. We propose to leave to landowners whatever they actually have, even though it be in their hands the fruits of injustice ; we propose not even to change the forms of land tenure, and greatly to simplify instead of enlarging the machinery and functions of the state. We propose, in short, only so to change present methods of raising public revenues that they shall conform to the requirements of the right of property, taking for the use of the state that which rightfully belongs to the state, leaving to individuals that which rightfully belongs to the individual.

The truth is that customs taxes, and improvement taxes, and income taxes, and taxes on business and occupations and on legacies and successions, are morally and economically no better than highway robbery or burglary, all the more disastrous and demoralizing because practised by the state. There is no necessity for them. The seeming necessity arises only from the failure of the state to take its own natural and adequate source of revenue—a failure which entails a long train of evils of another kind by stimulating a forestalling and monopolization of land which creates an artificial scarcity of the primary element of life and labour, so that in the midst of illimitable natural resources the opportunity to work has come to be looked on as a boon, and in spite of the most enormous increase in the powers of production the great mass find life a hard struggle to maintain life, and millions die before their time, of overstrain and under-nurture.

When the matter is looked on in this way, the idea of compensation—the idea that justice demands that those who have engrossed the natural revenue of the state must be paid the capitalized value of all future engrossment before the state can resume those revenues—is too preposterous for serious statement.

And while in the nature of things any change from wrong-doing to right-doing must entail loss upon those who profit by the wrong-doing, and this can no more be prevented than can parallel lines be made to meet ; yet it must also be remembered that in the nature of things the loss is merely relative, the gain absolute. Whoever will examine the subject will see that in the abandonment of the present unnatural and unjust method of raising public revenues and the adoption of the natural and just method even those who relatively lose will be enormous gainers.

THE DEMAND FOR SMALL-HOLDINGS

By Duncan Cuthbertson

IT is an anomaly that while there is a steady drift of population from the country to the towns there should yet be a large but unsatisfied demand for small-holdings. According to the recently published report of the Land Division of the Ministry of Agriculture (which gives the figures up till the end of 1936), over 6,000 applications for small-holdings have been refused. Allowing an average of five to a family, this represents a population of 30,000. Although this large number of applications had to be refused, it is more than likely that many more would have applied if they had had reasonable hopes of their demand being satisfied.

In 1936, 1,235 applicants were provided with holdings and 6,780 acres acquired to provide more. At the end of the year (1936), 29,153 small-holdings covering 464,291 acres were held by county councils in England and Wales. The Ministry itself owns 10,000 acres let to smallholders, and in every case a loss is shown. The county councils also show losses on their holdings but these losses are in effect refunded by the Ministry. Allotments continue to decrease, and this is said to be due to the demand for land for building. The number of allotments at the end of the year was 606,000.

There has been, there is, and there will continue to be, a much greater demand for small-holdings than can be met under present conditions. A loss has always been incurred where attempts have been made to meet the demand, even if only partially. If the smallholders themselves have not suffered (but many of them have), the public purse certainly has ; and where the holders have been successful, it has only been by working hard and for long hours.

As long, however, as the present land system is allowed to continue unaltered, it is difficult to see how small-holdings can be made to pay except in exceptional cases. The difficulty, of course, lies in getting the necessary land on reasonable terms. This difficulty is the rock on which all State-aided schemes have been wrecked financially, and it has been increased by the tariffs and subsidies which have kept up or raised the value of land.

The only way to solve the problem is to break the monopoly value of land—to bring down its value to the point at which it pays to use it as a small-holding or otherwise. When rent has been lowered to this extent small-holdings will be established without State assistance.

Until it is generally realised that the only way in which the land can be unlocked to labour is by the taxation of land values (which will bring down its price until it pays to use it), and the necessary measure is passed by Parliament, it is hopeless to expect to stop the migration from the countryside.

A PHILOSOPHY OF PEACE AND PRACTICAL STEPS

Based on the Writings of Henry George

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