

**THE FIFTIETH  
ANNIVERSARY  
EDITION OF**

**PROGRESS AND POVERTY**

By **HENRY GEORGE**

**NOTES AND EXTRACTS**

**ROBERT SCHALKENBACH  
FOUNDATION**

11 Park Place, New York, N. Y. 2

**3373**

**PROGRESS AND POVERTY:** An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth: the Remedy. By Henry George. Fiftieth Anniversary Edition. Robert Schalkenbach Foundation, 11 Park Place, New York. 1929. Printed from new plates, with a Foreword (by Charles O'Connor Hennessy, President of the Foundation), and reprints of the Introduction to the Twenty-fifth Anniversary Edition by Henry George, Jr., telling "How the Book Came to be Written," and of the author's own Preface to the Fourth Edition, summarizing his argument. Frontispiece portrait of Henry George by Harry Thurston See. Index. Cloth; 571 pages. \$1.00.

### FOREWORD

The fame won by Henry George as writer, economist and philosopher, has not diminished with the years that have passed since his death in 1897. On the contrary, there has been a steadily broadening recognition of his intellectual eminence. Significant of this was the recent Appreciation by John Dewey, the famous American educator and professor of philosophy at Columbia University, which contained these striking statements:

"It would require less than the fingers of the two hands to enumerate those who, from Plato down, rank with Henry George among the world's social philosophers. . . . No man, no graduate of a higher educational institution, has a right to regard himself as an educated man in social thought unless he has some first-hand acquaintance with the theoretical contribution of this great American thinker."

In this fiftieth year after the first publication of "Progress and Poverty" it must appear to that growing body of workers for social justice who in many lands are spreading George's gospel, that there is at this time as great a need as ever for the comprehension of the truth he sought to make plain. For, as in 1879, there is widespread social unrest in the world. Industrial depression and unemployment are conditions common to many lands, and even in the nominally prosperous atmosphere of the United States vast numbers are compelled to live in poverty or close to its border line. It would appear that

in the half century since "Progress and Poverty" was published, there has been little abatement of the social and economic ills that have afflicted the human family everywhere, and that recur, with unfailing regularity, in cycles that seem unexplainable except to the followers of Henry George. And, at a time when world opinion is demanding that statesmanship shall outlaw war, it is important to recall that the World Economic Conference, held at Geneva in 1927 at the call of the League of Nations, found a definite interdependence of the economic causes of war and industrial depression. It seems like a vindication of the philosophy of Henry George to find that this Conference to which the representatives of fifty nations were called, unanimously arrived at the conclusion that:

"The main trouble now is neither any material shortage of the resources of nature nor any inadequacy in man's power to exploit them. It is all, in one form or another, a maladjustment; not an insufficient productive capacity, but a series of impediments to the full utilization of that capacity. The main obstacles to economic revival have been the hindrances opposed to the free flow of labor, capital, and goods."

This, in effect, is what Henry George maintained fifty years ago, contrary to the teachings of the accepted political economy.

Greater need than ever exists for a re-examination by mankind of the remedy for the world's social and economic ills that is involved in the fundamental proposals of Henry George—proposals which Tolstoy declared must ultimately be accepted by the world because they are so logical and so unanswerable.

Therefore, the trustees of the Robert Schalkenbach Foundation, of New York, which was formed to bring about a wider acquaintance with the social and economic philosophy of Henry George, have considered this an appropriate time to produce from new plates this Fiftieth Anniversary Edition of "Progress and Poverty."

## HOW THE BOOK CAME TO BE WRITTEN

*A condensation of the Preface to the Twenty-Fifth Anniversary Edition of Henry George's "Progress and Poverty," contributed by his son, Henry, and reprinted in the Fiftieth Anniversary Edition (1929).*

Out of the open West came a young man of less than thirty to this great city of New York. He was small of stature and slight of build. His alma mater had been the forecastle and the printing-office. He was poor, unheralded, unknown. He came from a small city rising at the western golden portals of the country to set up here, for a struggling little newspaper there, a telegraphic news bureau, despite the opposition of the combined powerful press and telegraph monopolies. The struggle was too unequal. The young man was over-borne by the monopolies and his little paper crushed.

This man was Henry George and the time was 1869.

In the intervals of rest from his newspaper struggle in New York the young correspondent had musingly walked the streets. Here were private fortunes that rivaled the riches of the fabled Monte Cristo. But here, also, side by side with the palaces of the princely rich, were to be seen a poverty and degradation that made the young man from the open West sick at heart.

Why in a land so bountifully blest, with enough and more than enough for all, should there be such inequality of conditions? Why, amid such super-abundance, should strong men vainly look for work? Why should women faint with hunger, and little children spend the morning of life in the treadmill of toil?

Was this intended in the order of things? No, he could not believe it. And suddenly there came to him—there in daylight, in the city street—a burning thought, a call, a vision. Every nerve quivered. And he made a vow that he would never rest until he had found the cause of, and, if he could, the remedy for, this deepening poverty amid advancing wealth.

Returning to San Francisco, Henry George perceived that land speculation locked up vast territories against labor. Everywhere he perceived an effort to "corner" land; an effort to get it and to hold it, not for use, but for a "rise." Everywhere he perceived that this caused all who wished to use it to compete with each other for it; and he foresaw that as

population grew the keener that competition would become. Those who had a monopoly of the land would practically own those who had to use the land.

Filled with these ideas, Henry George in 1871 sat down and in the course of four months wrote a little book under title of "Our Land and Land Policy." In that small volume of forty-eight pages he advocated the destruction of land monopoly by shifting all taxes from labor and the products of labor and concentrating them in one tax on the value of land, regardless of improvements. A thousand copies of this small book were printed, but the author quickly perceived that really to command attention, the work would have to be done more thoroughly.

In August, 1877, the writing of "Progress and Poverty" was begun. It was the oak that grew out of the acorn of "Our Land and Land Policy." The larger book became "an inquiry into industrial depressions and of increase of want with increase of wealth," and pointed out the remedy.

The book was finished after a year and seven months of intense labor, and the undergoing of privations which caused the family to do without a parlor carpet, and frequently forced the author to pawn his personal effects.

And when the last page was written, in the dead of night, Henry George flung himself upon his knees and wept like a child. He had kept his vow. The rest was in the Master's hands.

Then the manuscript was sent to New York to find a publisher. Some of the publishers there considered it visionary; some, revolutionary; and all thought that it would not sell sufficiently to repay the outlay. Works on political economy even by men of renown were notoriously not money-makers. What hope then for a work of this nature from an obscure man? At length, however, D. Appleton & Co. said they would publish it if the author would bear the main cost, that of making the plates. There was nothing else for it, and so in order that the plate-making should be done under his own direction Henry George had the type set in a friend's printing-office in San Francisco, the author of the book setting the first two stickfuls himself.

Before the plates, made from this type, were shipped East, they were put upon a printing press and an "Author's Proof Edition" of five hundred copies was struck off. One of these copies Henry George sent to his venerable father in Philadelphia, eighty-one years old, writing him:

"It is with deep feeling of gratitude to Our Father in Heaven that I send you a printed copy of this book . . . It will not be recognized at first . . . but it will ultimately be considered a great book, will be published in both hemispheres, and be translated into different languages. This I know, though neither of us may ever see it here. But the belief that I have expressed in this book—the belief that there is yet another life for us—makes that of little moment."

The prophecy of recognition of the book's greatness was fulfilled very quickly. The Appletons in New York brought out the first regular market edition in January, 1880. Certain of the San Francisco newspapers derided book and author as the "hobby" of "little Harry George," and predicted that the work would never be heard of. But the press elsewhere in the country and abroad, from the old "Thunderer" in London down, and the great periodical publications, headed by the "Edinburgh Review," hailed it as a remarkable book that could not be lightly brushed aside. In the United States and England it was put into cheap paper editions, and in that form outsold the most popular novels of the day. In both countries, too, it ran serially in the columns of newspapers. Into all the chief tongues of Europe it was translated, there being three translations into German. Probably no exact statement of the book's extent of publication can be made; but a conservative estimate is that, embracing all forms and languages, more than two million copies of "Progress and Poverty" have been printed to date (January 24, 1905), and that including with these the other books that followed from Henry George's pen, perhaps five million copies have been given to the world.

## THE GIST OF "PROGRESS AND POVERTY"

*In the Preface to the Fourth Edition of his famous book, Henry George gives a summary of his argument. It is reprinted in the Fiftieth Anniversary Edition (1929). The following is a condensation of it.*

Beginning with a brief statement of facts which suggest this inquiry, I proceed to examine the explanation currently given in the name of political economy of the reason why, in spite of the increase of productive power, wages tend to the minimum of a bare living. This examination shows that the current doctrine of wages is founded upon a misconception; that, in truth, wages are produced by the labor for which they are paid, and should, other things being equal, increase with the number of laborers. Here the inquiry meets a doctrine which has powerfully and fundamentally influenced economic thought—the Malthusian doctrine, that population tends to increase faster than subsistence. Examination, however, shows that this doctrine has no real support either in fact or in analogy, and that when brought to a decisive test it is utterly disproved.

Beyond showing that the solution of the problem (of poverty) must be sought in the distribution of wealth, the results of my inquiry thus far are negative. It therefore becomes necessary to carry the inquiry into this field.

Proceeding to work out the laws of distribution, I first take up the law of rent. This, it is readily seen, is correctly apprehended by the current political economy. But it is also seen that the full scope of this law has not been appreciated, and that it involves as corollaries the laws of wages and interest—the cause which determines what part of the produce shall go to the land owner necessarily determining what part shall be left for labor and capital. Without resting here, I proceed to an independent deduction of the laws of interest and wages. I have stopped to determine the real cause and justification of interest, and to point out a source of much misconception—the confounding of what are really the profits of monopoly with the legitimate earnings of capital. Then returning to the main inquiry, investigation shows that interest must rise and fall with wages, and depends ultimately upon the same thing as rent—the margin of cultivation or point in production where rent begins. A similar but independent investigation of the law of wages yields similar harmonious results. Thus the three laws of distribution are brought into mutual support and harmony, and the fact that with material progress rent

everywhere advances is seen to explain the fact that wages and interest do not advance.

What causes this advance of rent is the next question that arises, and it necessitates an examination of the effect of material progress upon the distribution of wealth. Separating the factors of material progress into increase of population and improvements in the arts, it is first seen that increase in population tends constantly, not merely by reducing the margin of cultivation, but by localizing the economies and powers which come with increased population, to increase the proportion of the aggregate produce which is taken in rent, and to reduce that which goes as wages and interest. Then eliminating increase of population, it is seen that improvement in the methods and powers of production tends in the same direction, and, land being held as private property, would produce in a stationary population all the effects attributed by the Malthusian doctrine to pressure of population. And then a consideration of the effects of the continuous increase in land values which thus spring from material progress reveals in the speculative advance inevitably begotten when land is private property a derivative but most powerful cause of the increase of rent and the crowding down of wages. Deduction shows that this cause must necessarily produce periodically industrial depressions, and induction proves the conclusion; while from the analysis which has thus been made it is seen that the necessary result of material progress, land being private property, is, no matter what the increase in population, to force laborers to wages which give but a bare living.

This identification of the cause that associates poverty with progress points to the remedy, but it is to so radical a remedy that I have next deemed it necessary to inquire whether there is any other remedy. Beginning the investigation again from another starting point, I have passed in examination the measures and tendencies currently advocated or trusted in for the improvement of the condition of the laboring masses. The result of this investigation is to prove the preceding one, as it shows that nothing short of making land common property can permanently relieve poverty and check the tendency of wages to the starvation point.

The question of justice now naturally arises, and the inquiry passes into the field of ethics. An investigation of the nature and basis of property shows that there is a fundamental and irreconcilable difference between property in things which are



the product of labor and property in land; that the one has a natural basis and sanction while the other has none, and that the recognition of exclusive property in land is necessarily a denial of the right of property in the products of labor. Further investigation shows that private property in land always has, and always must, as development proceeds, lead to the enslavement of the laboring class; that land owners can make no just claim to compensation if society choose to resume its right; that so far from private property in land being in accordance with the natural perceptions of men, the very reverse is true, and that in the United States we are already beginning to feel the effects of having admitted this erroneous and destructive principle.

The inquiry then passes to the field of practical statesmanship. It is seen that private property in land, instead of being necessary to its improvement and use, stands in the way of improvement and use, and entails an enormous waste of productive forces; that the recognition of the common right to land involves no shock or dispossession, but is to be reached by the simple and easy method of abolishing all taxation save that upon land values. And this an inquiry into the principles of taxation shows to be, in all respects, the best subject of taxation.

A consideration of the effects of the change proposed then shows that it would enormously increase production; would secure justice in distribution; would benefit all classes; and would make possible an advance to a higher and nobler civilization.

As a final test, it becomes necessary to work out the law of human progress, for certain great facts which force themselves on our attention, as soon as we begin to consider this subject, seem utterly inconsistent with what is now the current theory, namely, that social progress is possible only by slow race improvement.

This inquiry shows that differences in civilization are not due to differences in individuals, but rather to differences in social organization; that progress, always kindled by association, always passes into retrogression as inequality is developed; and that even now, in modern civilization, the causes which have destroyed all previous civilizations are beginning to manifest themselves, and that mere political democracy is running its course toward anarchy and despotism. But it also identifies the law of social life with the great moral law of justice, and, proving previous conclusions, shows how retrogression may be prevented and a grander advance begun. This ends the inquiry.

### THE PROBLEM

This association of poverty with progress is the great enigma of our times. It is the central fact from which spring industrial, social, and political difficulties that perplex the world, and with which statesmanship and philanthropy and education grapple in vain. From it come the clouds that overhang the future of the most progressive and self-reliant nations. It is the riddle which the Sphinx of Fate puts to our civilization, and which not to answer is to be destroyed. So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury and make sharper the contrast between the House of Have and the House of Want, progress is not real and cannot be permanent. The reaction must come. The tower leans from its foundations, and every new story but hastens the final catastrophe. To educate men who must be condemned to poverty, is but to make them restive; to base on a state of most glaring social inequality political institutions under which men are theoretically equal, is to stand a pyramid on its apex. . . .

I propose to beg no questions, to shrink from no conclusion, but to follow truth wherever it may lead. Upon us is the responsibility of seeking the law, for in the very heart of our civilization to-day women faint and little children moan. But what that law may prove to be is not our affair. If the conclusions that we reach run counter to our prejudices, let us not flinch; if they challenge institutions that have long been deemed wise and natural, let us not turn back.

**LAND AND LABOR  
ARE NEVER CAPITAL**

Land, labor, and capital are the three factors of production. If we remember that capital (wealth applied to the aid of production) is thus a term used in contradistinction to land and labor, we at once see that nothing properly included under either one of these terms can be properly classed as capital. The term land necessarily includes, not merely the surface of the earth as distinguished from the water and the air, but the whole material universe outside of man himself, for it is only by having access to land, from which his very body is drawn, that man can come in contact with or use nature. The term land embraces, in short, all natural materials, forces, and opportunities, and, therefore, nothing that is freely supplied by nature can be properly classed as capital. A fertile field, a rich vein of ore, a falling stream which supplies power, may give to the possessor advantages equivalent to the possession of capital, but to class such things as capital would be to put an end to the distinction between land and capital, and, so far as they relate to each other, to make the two terms meaningless. The term labor, in like manner, includes all human exertion, and hence human powers whether natural or acquired can never properly be classed as capital. In common parlance we often speak of a man's knowledge, skill, or industry as constituting his capital; but this is evidently a metaphorical use of language that must be eschewed in reasoning that aims at exactness. Superiority in such qualities may augment the income of an individual just as capital would, and an increase in the knowledge, skill, or industry of a community may have the same effect in increasing its production as would an increase of capital; but this effect is due to the increased power of labor and not to capital. Increased velocity may give to the impact of a cannon ball the same effect as increased weight, yet, nevertheless, weight is one thing and velocity another.

**LABOR CREATES  
ITS OWN WAGE**

In every case in which labor is exchanged for commodities, production precedes enjoyment. Wages are the earnings—that is to say, the makings of labor—not the advances of capital, and the laborer who receives his wages in money (coined or printed, it may be, before his labor commenced) really receives in return for the addition his labor has made to the general stock of wealth, a draft upon that general stock, which he may utilize in any particular form of wealth that will best satisfy his desires. Neither the money, which is but the draft, nor the particular form of wealth which he uses it to call for, represents advances of capital for his maintenance, but on the contrary represents the wealth, or a portion of the wealth, his labor has already added to the general stock.

The draughtsman, who, shut up in some dingy office on the banks of the Thames, is drawing the plans for a great marine engine, is in reality devoting his labor to the production of bread and meat as truly as though he were garnering the grain in California or swinging a lariat on a La Plata pampa; he is as truly making his own clothing as though he were shearing sheep in Australia or weaving cloth in Paisley, and just as effectually producing the claret he drinks at dinner as though he gathered the grapes on the banks of the Garonne. The miner who, two thousand feet under ground in the heart of the Comstock, is digging out silver ore, is, in effect, by virtue of a thousand exchanges, harvesting crops in valleys five thousand feet nearer the earth's center; chasing the whale through Arctic icefields; plucking tobacco leaves in Virginia; picking coffee berries in Honduras; cutting sugar cane on the Hawaiian Islands; gathering cotton in Georgia or weaving it in Manchester or Lowell; making quaint wooden toys for his children in the Hartz Mountains; or plucking amid the green and gold of Los Angeles orchards the oranges which, when his shift is relieved, he will take home to his sick wife. The wages which he receives on Saturday night at the mouth of the shaft, what are they but the certificate to all the world that he has done these things—the primary exchange in the long series which transmutes his labor into the things he has really been laboring for?

(Extracts from "Progress and Poverty" by Henry George)

### THE LAW OF WAGES

Wages depend upon the margin of production, or upon the produce which labor can obtain at the highest point of natural productiveness open to it without the payment of rent.

So obvious is this law that it is often apprehended without being recognized. It is frequently said of such countries as California and Nevada that cheap labor would enormously aid their development, as it would enable the working of the poorer but most extensive deposits of ore. A relation between low wages and a low point of production is perceived by those who talk in this way, but they invert cause and effect. It is not low wages which will cause the working of low-grade ore, but the extension of production to the lower point which will diminish wages. If wages could be arbitrarily forced down, as has sometimes been attempted by statute, the poorer mines would not be worked so long as richer mines could be worked. But if the margin of production were arbitrarily forced down, as it might be, were the superior natural opportunities in the ownership of those who chose rather to wait for future increase of value than to permit them to be used now, wages would necessarily fall.

This law of wages accords with and explains universal facts that without its apprehension seem unrelated and contradictory. It shows that:

Where land is free and labor is unassisted by capital, the whole produce will go to labor as wages.

Where land is free and labor is assisted by capital, wages will consist of the whole produce, less that part necessary to induce the storing up of labor as capital.

Where land is subject to ownership and rent arises, wages will be fixed by what labor could secure from the highest natural opportunities open to it without the payment of rent.

Where natural opportunities are all monopolized, wages may be forced by the competition among laborers to the minimum at which laborers will consent to reproduce.

(Extracts from "Progress and Poverty" by Henry George)

### POPULATION NOT A CAUSE OF POVERTY

[In his attack on the Malthusian theory that population tends to increase faster than subsistence, with poverty as an inevitable result, Henry George took the example of Ireland adduced in support of the theory, and proved from it that the density of population of that "most distressful country" was not at all the cause of its poverty.]

McCulloch, writing in 1838, says, in Note IV to Adam Smith's "Wealth of Nations:"

"The wonderful density of population in Ireland is the immediate cause of the abject poverty and depressed condition of the great bulk of the people. It is not too much to say that there are at present more than double the persons in Ireland it is, with its existing means of production, able either fully to employ or to maintain in a moderate state of comfort."

Now, at the period of her greatest population (1840-45) Ireland contained something over eight millions of people. But a very large proportion of them managed merely to exist—lodging in miserable cabins, clothed with miserable rags, and with but potatoes for their staple food. When the potato blight came, they died by thousands. But was it the inability of the soil to support so large a population that compelled so many to live in this miserable way, and exposed them to starvation on the failure of a single root crop? On the contrary, it was the same remorseless rapacity that robbed the Indian ryot of the fruits of his toil and left him to starve where nature offered plenty. A merciless banditti of tax-gatherers did not march through the land plundering and torturing, but the laborer was just as effectually stripped by as merciless a horde of landlords, among whom the soil has been divided as their absolute possession, regardless of any rights of those who lived upon it.

Cultivation was for the most part carried on by tenants at will, who, even if the rack-rents which they were forced to pay had permitted them, did not dare to make improvements which would have been but the signal for an increase of rent. Labor was thus applied in the most inefficient and wasteful manner, and labor was dissipated in aimless idleness that, with any security for its fruits, would have been applied unremittingly. But even under these conditions,

it is a matter of fact that Ireland did more than support eight millions. For when her population was at its highest, Ireland was a food exporting country. Even during the famine, grain and meat and butter and cheese were carted for exportation along roads lined with the starving and past trenches into which the dead were piled. For these exports of food, or at least for a great part of them, there was no return. So far as the people of Ireland were concerned, the food thus exported might as well have been burned up or thrown into the sea, or never produced. It went not as an exchange, but as a tribute—to pay for the rent of absentee landlords; a levy wrung from producers by those who in no wise contributed to production.

(Extracts from "Progress and  
Poverty" by Henry George)

## GOVERNMENT ECONOMY NOT THE CURE FOR POVERTY

From the produce of the labor and capital of England are now supported the burden of an immense debt, an Established Church, an expensive royal family, a large number of sinecurists, a great army and great navy. Suppose the debt repudiated, the Church disestablished, the royal family set adrift to make a living for themselves, the sinecurists cut off, the army disbanded, the officers and men of the navy discharged and the ships sold. An enormous reduction in taxation would thus become possible. There would be a great addition to the net produce which remains to be distributed among the parties to production. But it would be only such an addition as improvement in the arts has been for a long time constantly making, and not so great an addition as steam and machinery have made within the last twenty or thirty years. And as these additions have not alleviated pauperism, but have only increased rent, so would this. English land owners would reap the whole benefit.



(Extracts from "Progress and  
Poverty" by Henry George)

### INDIVIDUAL THRIFT NOT THE REMEDY

One individual may save money from his wages by living as Dr. Franklin did when, during his apprenticeship and early journeyman days, he concluded to practice vegetarianism; and many poor families might be made more comfortable by being taught to prepare the cheap dishes to which Franklin tried to limit the appetite of his employer Keimer, but if the working classes generally came to live in that way, wages would ultimately fall in proportion, and whoever wished to get ahead by the practice of economy, or to mitigate poverty by teaching it, would be compelled to devise some still cheaper mode of keeping soul and body together. If, under existing conditions, American mechanics would come down to the Chinese standard of living, they would ultimately have to come down to the Chinese standard of wages.

(Extracts from "Progress and  
Poverty" by Henry George)  
**LABOR UNIONS NOT THE  
REMEDY**

To raise wages in a particular occupation, which is all that any combination of workmen yet made has been equal to attempting, is manifestly a task the difficulty of which progressively increases. For the higher are wages of any particular kind raised above their normal level with other wages, the stronger are the tendencies to bring them back. Thus, if a printers' union, by a successful or threatened strike, raise the wages of typesetting ten per cent. above the normal rate as compared with other wages, relative demand and supply are at once affected. On the one hand, there is a tendency to a diminution of the amount of typesetting called for; and, on the other, the higher rate of wages tends to increase the number of compositors in ways the strongest combination cannot altogether prevent. So that which trades' unions, even when supporting each other, can do in the way of raising wages is comparatively little, and this little, moreover, is confined to their own sphere, and does not affect the lower stratum of unorganized laborers, whose condition most needs alleviation and ultimately determines that of all above them.

Besides the practical difficulties in forcing by endurance an increase of wages, there are in such methods inherent disadvantages which workingmen should not blink. I speak without prejudice, for I am still an honorary member of the union which, while working at my trade, I always loyally supported. But, see: The methods by which a trade union can alone act are necessarily destructive; its organization is necessarily tyrannical. A strike, which is the only recourse by which a trade union can enforce its demands, is a destructive contest—just such a contest as that to which an eccentric, called "The Money King," once, in the early days of San Francisco, challenged a man who had taunted him with meanness, that they should go down to the wharf and alternately toss twenty-dollar pieces into the bay until one gave in. The struggle of endurance involved in a strike is, really, what it has often been compared to—a war; and, like all war, it lessens wealth. And the organization for it must, like the organization for war, be tyrannical. As even the man who would fight for freedom, must, when he enters an army, give up his personal freedom and become a mere part in a great machine, so must it be with workmen who organize for a strike. These combinations are, therefore, necessarily destructive of the very things which workmen seek to gain through them—wealth and freedom.

## COOPERATION OF LABOR AND CAPITAL NOT THE REMEDY

Waiving all the difficulties that under present conditions beset co-operation either of supply or of production, and supposing it so extended as to supplant present methods—that co-operative stores made the connection between producer and consumer with the minimum of expense, and co-operative workshops, factories, farms, and mines, abolished the employing capitalist who pays fixed wages, and greatly increased the efficiency of labor—what then? Why, simply that it would become possible to produce the same amount of wealth with less labor, and consequently that the owners of the land, the source of all wealth, could command a greater amount of wealth for the use of their land. This is not a matter of mere theory; it is proved by experience and by existing facts. Improved methods and improved machinery have the same effect that co-operation aims at—of reducing the cost of bringing commodities to the consumer and increasing the efficiency of labor, and it is in these respects that the older countries have the advantage of new settlements. But, as experience has amply shown, improvements in the methods and machinery of production and exchange have no tendency to improve the condition of the lowest class, and wages are lower and poverty deeper where exchange goes on at the minimum of cost and production has the benefit of the best machinery. The advantage but adds to rent.

(Extracts from "Progress and  
Poverty" by Henry George)

## STATE SOCIALISM NOT THE REMEDY

We have passed out of the socialism of the tribal state, and cannot re-enter it again except by a retrogression that would involve anarchy and perhaps barbarism. Our governments, as is already plainly evident, would break down in the attempt. Instead of an intelligent award of duties and earnings, we should have a Roman distribution of Sicilian corn, and the demagogue would soon become the Emperor.

The ideal of socialism is grand and noble; and it is, I am convinced, possible of realization; but such a state of society cannot be manufactured—it must grow. Society is an organism, not a machine. It can live only by the individual life of its parts. And in the free and natural development of all the parts will be secured the harmony of the whole. All that is necessary to social regeneration is included in the motto of those Russian patriots sometimes called Nihilists—"Land and Liberty!"

(Extracts from "Progress and Poverty" by Henry George)

## MORE GENERAL LAND

### DISTRIBUTION NOT

#### THE REMEDY

The same tendency which substitutes the factory, with its army of operatives, for many independent hand-loom weavers is beginning to exhibit itself in agriculture, a strong tendency to the concentration of land ownership is seen. The reason is obvious. It is the application of machinery to agriculture, and the general tendency to production on a large scale.

Now, the existence of this tendency shows two things: first, that any measures which merely permit or facilitate the greater subdivision of land would be inoperative; and, second, that any measures which would compel it would have a tendency to check production. If land in large bodies can be cultivated more cheaply than land in small bodies, to restrict ownership to small bodies will reduce the aggregate production of wealth, and, in so far as such restrictions are imposed and take effect, will they tend to diminish the general productiveness of labor and capital.

The effort, therefore, to secure a fairer division of wealth by such restrictions is liable to the drawback of lessening the amount to be divided. The device is like that of the monkey, who, dividing the cheese between the cats, equalized matters by taking a bite off the biggest piece.

There is the further and fatal objection that restriction will not secure the end which is alone worth aiming at—a fair division of the produce. It will not reduce rent, and therefore cannot increase wages. It may make the comfortable classes larger, but will not improve the condition of those in the lowest class.

(Extracts from "Progress and  
Poverty" by Henry George)

#### THE TRUE REMEDY

There is but one way to remove an evil—and that is, to remove its cause. Poverty deepens as wealth increases, and wages are forced down while productive power grows, because land, which is the source of all wealth and the field of all labor, is monopolized. To extirpate poverty, to make wages what justice commands they should be, the full earnings of the laborer, we must therefore substitute for the individual ownership of land a common ownership. Nothing else will go to the cause of the evil—in nothing else is there the slightest hope.

---

#### COMPENSATION OF LANDOWNERS UNJUST

To buy up individual property rights would merely be to give the land holders in another form a claim of the same kind and amount that their possession of land now gives them; it would be to raise for them by taxation the same proportion of the earnings of labor and capital that they are now enabled to appropriate in rent.

(Extracts from "Progress and Poverty" by Henry George)

## LAND NATIONALIZATION

### UNNECESSARY

We should satisfy the law of justice, we should meet all economic requirements, by at one stroke abolishing all private titles, declaring all land public property, and letting it out to the highest bidders in lots to suit, under such conditions as would sacredly guard the private right to improvements.

Such a plan has been endorsed by no less eminent a thinker than Herbert Spencer, who, in his "Social Statics," Chap. IX, Sec. 8, says of it:

"Instead of being in the possession of individuals, the country would be held by the great corporate body—society. Instead of leasing his acres from an isolated proprietor, the farmer would lease them from the nation. Instead of paying his rent to the agent of Sir John or his Grace, he would pay it to an agent or deputy agent of the community. Stewards would be public officials instead of private ones, and tenancy the only land tenure. A state of things so ordered would be in perfect harmony with the moral law. Under it all men would be equally landlords, all men would be alike free to become tenants. \* \* \* Clearly, therefore, on such a system, the earth might be enclosed, occupied and cultivated, in entire subordination to the law of equal freedom."

But such a plan does not seem to me the best. Or rather I propose to accomplish the same thing in a simpler, easier, and quieter way than that of formally confiscating all the land and formally letting it out to the highest bidders.

To do that would involve a needless shock to present customs and habits of thought—which is to be avoided.

To do that would involve a needless extension of governmental machinery—which is to be avoided.

### THE SINGLE TAX

It is an axiom of statesmanship that great changes can best be brought about under old forms. It is the natural method. When nature would make a higher type, she takes a lower one and develops it. This, also, is the law of social growth. Let us work by it. With the current we may glide fast and far. Against it, it is hard pulling and slow progress.

I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the second, needless. Let the individuals who now hold it still retain possession of what they are pleased to call their land. Let them buy and sell, and bequeath and devise it. We may safely leave them the shell, if we take the kernel. It is not necessary to confiscate land; it is only necessary to confiscate rent.

Nor to take rent for public uses is it necessary that the State should bother with the letting of lands, and assume the chances of the favoritism, collusion, and corruption this might involve. It is not necessary that any new machinery should be created. The machinery already exists. Instead of extending it, all we have to do is to simplify and reduce it. By leaving to land owners a percentage of rent which would probably be much less than the cost and loss involved in attempting to rent lands through State agency, and by making use of this existing machinery, we may, without jar or shock, assert the common right to land by taking rent for public uses.

We already take some rent in taxation. We have only to make some changes in our modes of taxation to take it all.

What I, therefore, propose, as the simple yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government and carry civilization to yet nobler heights, is—to appropriate rent by taxation.

In this way the State may become the universal landlord without calling herself so, and without assuming a single new function. In form, the ownership of land would remain just as now. No owner of land need be



dispossessed, and no restriction need be placed upon the amount of land any one could hold. For, rent being taken by the State in taxes, land, no matter in whose name it stood, or in what parcels it was held, would be really common property, and every member of the community would participate in the advantages of its ownership.

Now, insomuch as the taxation of rent, or land values, must necessarily be increased just as we abolish other taxes, we may put the proposition into practical form by proposing—

**To abolish all taxation save that upon land values.**

As we have seen, the value of land is at the beginning of society nothing, but as society develops by the increase of population and the advance of the arts, it becomes greater and greater. In every civilized country, even the newest, the value of the land taken as a whole is sufficient to bear the entire expenses of government. In the better developed countries it is much more than sufficient. Hence it will not be enough merely to place all taxes upon the value of land. It will be necessary, where rent exceeds the present governmental revenues, commensurately to increase the amount demanded in taxation, and to continue this increase as society progresses and rent advances. But this is so natural and easy a matter, that it may be considered as involved in the proposition to put all taxes on the value of land exclusive of improvements.

(Extracts from "Progress and  
Poverty" by Henry George)

#### THE LAW OF HUMAN PROGRESS

The law of human progress, what is it but the moral law? Just as social adjustments promote justice, just as they acknowledge the equality of right between man and man, just as they insure to each the perfect liberty which is bounded only by the equal liberty of every other, must civilization advance. Just as they fail in this, must advancing civilization come to a halt and recede. Political economy and social science cannot teach any lessons that are not embraced in the simple truths that were taught to poor fishermen and Jewish peasants by One who eighteen hundred years ago was crucified—the simple truths which, beneath the warpings of selfishness and the distortions of superstition, seem to underlie every religion that has ever striven to formulate the spiritual yearnings of man.

## WHAT "PROGRESS AND POVERTY" HAS ACCOMPLISHED

What progress has the Single Tax Movement made in the half-century of its existence? This is a question naturally brought to mind by the Fiftieth Anniversary Edition of Henry George's "Progress and Poverty," just published by the Robert Schalkenbach Foundation of New York.

While the appalling disaster of the Great War greatly checked tax reform throughout the world, and especially the general drift toward the Single Tax, by the pressing need of revenue, causing resort to almost every conceivable form of taxation, nevertheless some of the gains previously made by the Single Tax were held, and of late others have been added.

The situation is like that of Adam Smith's "Wealth of Nations," the only economic work at all comparable to George's. It was published in 1776. Its ideas, chiefly that of Free Trade, were making headway until the Napoleonic wars threw all Europe into confusion. It required more than a quarter of a century after Waterloo for Great Britain to abolish the Corn Laws (1846) and set her feet upon the path of freedom in trade, that led her to the commercial supremacy which Adam Smith had predicted would be attained, if she followed his teachings.

So much more revolutionary in its effects would be the doctrine of Henry George and so much more powerfully entrenched are the monopolistic interests opposed to it, that one should be satisfied if it is not twenty-five more years, but fifty, before a country like Great Britain or the United States has adopted it, for this must be by gradual approaches, the reduction and final extinction of other taxes, all of which are oppressive to labor and capital.

Education of the public in economic principles must precede the application of these principles in government. The success of Henry George as a teacher of economic laws fundamental to his doctrine has been remarkable. The Malthusian theory which was generally accepted fifty years ago, and which therefore he felt it necessary to spend much space upon to demolish, has either been abandoned by economists, or considered at best purely academic. While the "wages fund" theory, namely, that wages are paid out of capital, is adhered to by trade-unionists and seemingly accepted by organized cap-

italists, their opponents, the professors of political economy now hold with George that labor creates its own wage in increasing the value it gives to capital upon which it works. And more than thirty years ago all the leading economists of the United States, without reservation except by one of them, endorsed George's doctrine of the "unearned increment," and his statement of the impossibility of the tax on the value of land being shifted by the land-owner upon the tenant. And the economic statisticians have verified and accepted George's statement that the land value of every community is sufficient to pay all its necessary public expenses.

With an engineer in the office of President of the United States, it is not too optimistic to expect that we may have at last economists in the Halls of Congress. Then with "wisdom and political power conjoined in one," to use the words of Plato, we may expect something better even, because more practical, than the ideal republic visioned by that Greek philosopher.

Public opinion has also been liberalized. When George declared fifty years ago that involuntary poverty could be abolished, and that it was the business of government to do away with it, cries of "infidel" and "socialist" were raised against him from pulpit and press. Had Christ not said, "The poor ye have always with you?" Why stir up discontent among the lower classes?

Yet when Herbert Hoover recently uttered the same sentiment it met with universal applause; there was not one dissenting voice.

There are examples of the Single Tax principles in application scattered over the country, all so successful that they are incentive to more and broader applications. Since 1909 assessments in California in irrigation districts are limited to land value. For the past ten years land in North Dakota has been assessed at full value, farm buildings exempt, and taxes on farm machinery and personal property reduced to fifty percent. In 1913 the city of Pittsburgh under permission of the Pennsylvania legislature, adopted a "Graded Tax Law" by which it has gradually cut down the tax on improvements until the tax rate on these is but one-half of the rate on land. To this has been ascribed much of the flourishing condition of this great manufacturing community. The same law applies in Scranton, Pa., with like results.

The Single Tax principle has made much faster headway in Canada than in the country of its origin. In Manitoba farm improvements and personal property are totally exempt from taxation. In Saskatchewan, the same rule prevails, and city improvements are assessed at not more than 60 per cent. of value; the rate runs in places as low as 30 and 35 per cent. In British Columbia, assessment on improvements is limited to 50 per cent. of value. Of the 63 municipalities, 27 make land value the sole subject of taxation. Vancouver, the largest city, raises three-fourths of its revenue from land value, and one-fourth from improvement value. The city of New Westminster entirely exempts improvements.

A number of small municipalities in Brazil have abolished taxes on improvements and business, proportionately increasing the tax on land value. For many years the "real property tax" in Uruguay outside of Montevideo has been levied on land value exclusively. The great State of Buenos Aires in the Argentine Republic has completely exempted all rural improvements from taxation. In all these countries there are large and influential journals advocating the Single Tax.

Since the Great War there have been revivals of Single Tax proposals which were checked by the cataclysm. The taxation of land values is a part of the ultimate program of both the Labor and Liberal parties, which together control the British Parliament. All over Denmark taxes are being shifted from improvements to land values.

The same is true of South Africa. The large city of Johannesburg has raised all its revenue from the land value tax since 1918. It set the example to a number of smaller towns in the Transvaal, which now too are Single Tax municipalities.

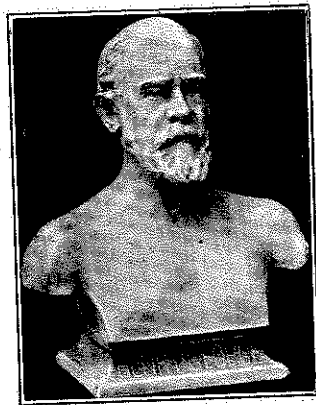
In Australia, whither Henry George carried in person his gospel, there has been state taxation of land value for many years. There has been federal land value taxation since 1910. Many municipalities have reduced or eliminated entirely the local tax on improvements. There is a rapid movement in this direction, particularly in New South Wales.

The Graduated Land Tax, adopted in New Zealand in 1891, which broke up the great estates that were throttling the development of these fertile islands, prepared the people for the more scientific and less arbi-

trary method of the Single Tax, and now this has been adopted for local purposes by more than 200 districts of the country.

There is work for everyone in New Zealand who wants it and at good pay, with leisure for recreation and opportunities for intellectual culture open to all. Yet before the Land Tax, forty years ago, with less than one-third the present number of inhabitants, the broad and fertile lands were said to be "congested" in population, and the landless people were emigrating by thousands to Australia.

New Zealand affords an example of what the Single Tax principle will do for any people on the globe. And the world has always awaited successful examples to put great reforms into general execution.



**THE BUST OF HENRY GEORGE**  
By His Son Richard