PROGRESS & POVERTY

BY HENRY GEORGE

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TO THOSE WHO,

SEEING THE VICE AND MISERY

THAT SPRING FROM THE UNEQUAL DISTRIBUTION

OF WEALTH AND PRIVILEGE, FEEL THE POSSIBILITY OF A

HIGHER SOCIAL STATE, AND WOULD STRIVE

FOR ITS ATTAINMENT

The following is a list of the works of Henry George:—

Our Land and Land Policy, 1871; The Subsidy Question and the Democratic Party, 1871; The Commonsense of Taxation (from *North American Review*), 1880; Progress and Poverty, 1880, and many later editions; The Irish Land Question, 1881; Social Problems, 1884; Moses (a Lecture delivered at St. Andrew's Hall, Glasgow), 1884; Protection and Free Trade, 1886, and later editions; Land and People, 1888, 1907; The Single Tax and Social Democracy (Debate between H. George and H. M. Hyndman), 1889; The Condition of Labour, an open letter to Pope Leo XIII. (with the Pope's Encyclical Letter), 1891, abridged edition, 1907; A Perplexed Philosopher, being an examination of Mr. Herbert Spencer's various utterances on the Land Question, etc., 1893; The Science of Political Economy, 1897, edited by H. George, Jr., 1898; The Crime of Poverty (address delivered at Burlington, Iowa) 1885, Scotland and Scotsmen (delivered at the City Hall, Glasgow), 1884, Thou Shalt not Steal, Thy Kingdom Come (delivered at the City Hall, Glasgow), 1889—these last four works were published by the Land Values Publication Department, 1907.

WORKS: Memorial Edition, 1898, 1900; Our Land and Land Policy, Speeches, Lectures, and Miscellaneous Writings, edited by H. George, Jr., 1901.

LIFE, ETC.: H. Rose, Henry George, a Biographical, Anecdotal and Critical Sketch, 1884; H. George, Jr., 1900; D. C. Pedder, Henry George and his Gospel (Social Reformers Series), 1908; G. N. Barnes (Independent Labour Party Pamphlets), 1909; H. Rose, The New Political Economy; the Social Teaching of Carlyle, Ruskin, and Henry George, 1891.

Make for thyself a definition or description of the thing which is presented to thee, so as to see distinctly what kind of a thing it is, in its substance, in its nudity, in its complete entirety, and tell thyself its proper name, and the names of the things of which it has been compounded, and into which it will be resolved. For nothing is so productive of elevation of mind as to be able to examine methodically and truly every object which is presented to thee in life, and always to look at things so as to see at the same time what kind of universe this is, and what kind of use everything performs in it, and what value everything has with reference to the whole, and what with reference to man, who is a citizen of the highest city, of which all other cities are like families; what each thing is, and of what it is composed, and how long it is the nature of this thing to endure.—MARCUS AURELIUS ANTONINUS.

There must be refuge! Men
Perished in winter winds till one smote fire
From flint stones coldly hiding what they held,
The red spark treasured from the kindling sun;
They gorged on flesh like wolves, till one sowed corn,
Which grew a weed, yet makes the life of man;
They mowed and babbled till some tongue struck speech,
And patient fingers framed the lettered sound.
What good gift have my brothers, but it came
From search and strife and loving sacrifice?

EDWIN ARNOLD.

Never yet
Share of Truth was vainly set
In the world's wide fallow:
After hands shall sow the seed,
After hands, from hill and mead,
Reap the harvests yellow.

WHITTIER.

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PREFACE

THE views herein set forth were in the main briefly stated in a pamphlet entitled "Our Land and Land Policy," published in San Francisco in 1871. I then intended, as soon as I could, to present them more fully, but the opportunity did not for a long time occur. In the meanwhile I became even more firmly convinced of their truth, and saw more completely and clearly their relations; and I also saw how many false ideas and erroneous habits of thought stood in the way of their recognition, and how necessary it was to go over the whole ground.

This I have here tried to do, as thoroughly as space would permit. It has been necessary for me to clear away before I could build up, and to write at once for those who have made no previous study of such subjects, and for those who are familiar with economic reasonings; and so great is the scope of the argument that it has been impossible to treat with the fullness they deserve many of the questions raised. What I have most endeavoured to do is to establish general principles, trusting to my readers to carry further their applications where this is needed.

In certain respects this book will be best appreciated by those who have some knowledge of economic literature; but no previous reading is necessary to the understanding of the argument or the passing of judgment upon its conclusions. The facts upon which I have relied are not facts which can only be verified by a search through libraries. They are facts of common observation and common knowledge, which every reader can verify for himself, just as he can decide whether the reasoning from them is or is not valid.

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 labour for which they are paid, and should, other things being equal, increase with the number

of labourers. Here the inquiry meets a doctrine which is the foundation and centre of most important economic theories, and which has powerfully influenced thought in all directions—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.

Thus far the results of the inquiry, though extremely important, are mainly negative. They show that current theories do not satisfactorily explain the connection of poverty with material progress, but throw no light upon the problem itself, beyond showing that its solution must be sought in the laws which govern the distribution of wealth. It therefore becomes necessary to carry the inquiry into this field. A preliminary review shows that the three laws of distribution must necessarily correlate with each other, which, as laid down by the current political economy, they fail to do, and an examination of the terminology in use reveals the confusion of thought by which this discrepancy has been slurred over. Proceeding then 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 landowner necessarily determining what part shall be left for labour 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 localising 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 springs 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 periodical 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 labourers 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 labouring 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 labour 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 labour. Further investigation shows that private property in land always has,

and always must, as development proceeds, lead to the enslavement of the labouring class; that landowners 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 civilisation.

The inquiry now rises to a wider field, and recommences from another starting-point. For not only do the hopes which have been raised come into collision with the widespread idea that social progress is only possible by slow race improvement, but the conclusions we have arrived at assert certain laws which, if they are really natural laws, must be manifest in universal history. As a final test, it therefore 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. This inquiry shows that differences in civilisation are not due to differences in individuals, but rather to difference in social organisation; that progress, always kindled by association, always passes into retrogression as inequality is developed; and that even now, in modern civilisation, the causes which have destroyed all previous civilisations are beginning to manifest themselves, and that mere political democracy is running its course towards 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 final chapter will explain itself.

The great importance of this inquiry will be obvious. If it has been carefully and logically pursued, its conclusions completely change the character of political economy, give it the coherence and certitude of a true science, and bring it into full sympathy with the aspirations of the masses of men, from which it has long been estranged. What I have done in this book, if I have correctly solved the great problem I have sought to investigate, is, to unite the truth perceived by the school of Smith and Ricardo to the truth perceived by the school of Proudhon and Lasselle; to show that *laissez-faire* (in its full true meaning) opens the way to a realisation of the noble dreams of socialism; to identify social law with moral law, and to disprove ideas which in the minds of many cloud grand and elevating perceptions.

This work was written between August 1877, and March 1879, and the plates finished by September of that year. Since that time new illustrations have been given of the correctness of the views herein advanced, and the march of events—and especially that great movement which has begun in Great Britain in the Irish land agitation—shows still more clearly the pressing nature of the problem I have endeavoured to solve. But there has been nothing in the criticisms they have received to induce the change or modification of these views—in fact, I have yet to see an objection not answered in advance in the book itself. And except that some verbal errors have been corrected and a preface added, this edition is the same as previous ones.

HENRY GEORGE.

NEW YORK, *Nov.* 1880.

PROGRESS AND POVERTY

INTRODUCTORY

Ye build! ye build! but ye enter not in,
Like the tribes whom the desert devoured in their sin;
From the land of promise ye fade and die,
Ere its verdure gleams forth on your wearied eye.

MRS. SIGOURNEY.

THE PROBLEM

THE present century has been marked by a prodigious increase in wealth-producing power. The utilisation of steam and electricity, the introduction of improved processes and labour-saving machinery, the greater subdivison and grander scale of production, the wonderful facilitation of exchanges, have multiplied enormously the effectiveness of labour.

At the beginning of this marvellous era it was natural to expect, and it was expected, that labour-saving inventions would lighten the toil and improve the condition of the labourer; that the enormous increase in the power of producing wealth would make real poverty a thing of the past. Could a man of the last century—a Franklin or a Priestley—have seen, in a vision of the future, the steamship taking the place of the sailing vessel, the railroad train of the waggon, the reaping machine of the scythe, the threshing machine of the flail; could he have heard the throb of the engines that in obedience to human will, and for the satisfaction of human desire, exert a power greater than that of all the men and all the beasts of burden of the earth combined; could he have seen the forest tree transformed into finished lumber—into doors, sashes, blinds, boxes or barrels, with hardly the touch of a human hand; the great workshops where boots and shoes are turned out by the case with less labour than the old-fashioned cobbler could have put on a sole; the factories where, under the eye of a girl, cotton becomes cloth faster than hundreds of stalwart weavers could have turned it out with their hand-looms; could he have seen steam hammers shaping mammoth shafts and mighty anchors, and delicate machinery making tiny watches; the diamond drill cutting through the heart of the rocks, and coal oil sparing the

whale; could he have realised the enormous saving of labour resulting from improved facilities of exchange and communication—sheep killed in Australia eaten fresh in England, and the order given by the London banker in the afternoon executed in San Francisco in the morning of the same day; could he have conceived of the hundred thousand improvements which these only suggest, what would he have inferred as to the social condition of mankind?

It would not have seemed like an inference; further than the vision went, it would have seemed as though he saw; and his heart would have leaped and his nerves would have thrilled, as one who from a height beholds just ahead of the thirst-stricken caravan the living gleam of rustling woods and the glint of laughing waters. Plainly, in the sight of the imagination, he would have beheld these new forces elevating society from its very foundations, lifting the very poorest above the possibility of want, exempting the very lowest from anxiety for the material needs of life; he would have seen these slaves of the lamp of knowledge taking on themselves the traditional curse, these muscles of iron and sinews of steel making the poorest labourer's life a holiday, in which every high quality and noble impulse could have scope to grow.

And out of these bounteous material conditions he would have seen arising, as necessary sequences, moral conditions realising the golden age of which mankind have always dreamed. Youth no longer stunted and starved; age no longer harried by avarice; the child at play with the tiger; the man with the muck-rake drinking in the glory of the stars! Foul things fled, fierce things tame; discord turned to harmony! For how could there be greed where all had enough? How could the vice, the crime, the ignorance, the brutality, that spring from poverty and the fear of poverty, exist where poverty had vanished? Who should crouch where all were freemen, who oppress where all were peers?

More or less vague or clear, these have been the hopes, these the dreams born of the improvements which give this wonderful century its pre-eminence. They have sunk so deeply into the popular mind as to radically change the currents of thought, to recast creeds and displace the most fundamental conceptions. The haunting visions of higher possibilities have not merely gathered splendour and vividness, but their direction has changed—instead of seeing behind the faint tinges of an expiring sunset, all the glory of the daybreak has decked the skies before.

It is true that disappointment has followed disappointment, and that discovery upon discovery, and invention after invention, have neither lessened the toil of those who most need respite, nor brought plenty to the poor. But there have been so many things to which it seemed this failure could be laid, that up to our time the new faith has hardly weakened. We have better appreciated the difficulties to be overcome; but not the less trusted that the tendency of the times was to overcome them.

Now, however, we are coming into collision with facts which there can be no mistaking. From all parts of the civilised world come complaints of industrial depression; of labour condemned to involuntary idleness; of capital massed and wasting; of pecuniary distress among business men; of want and suffering and anxiety among the working classes. All the dull, deadening pain, all the keen, maddening anguish, that to great masses of men are involved in the words "hard times," afflict the world to-day. This state of things, common to communities differing so widely in situation, in political institutions, in fiscal and financial systems, in density of population and in social organisation, can hardly be accounted for by local causes. There is distress where large standing armies are maintained, but there is also distress where the standing armies are nominal; there is distress where protective tariffs stupidly and wastefully hamper trade, but there is also distress where trade is nearly free; there is distress where autocratic government yet prevails, but there is also distress where political power is wholly in the hands of the people; in countries where paper is money, and in countries where gold and silver are the only currency. Evidently, beneath all such things as these, we must infer a common cause.

That there is a common cause, and that it is either what we call material progress, or something closely connected with material progress, becomes more than an inference when it is noted that the phenomena we class together and speak of as industrial depression, are but intensifications of phenomena which always accompany material progress, and which show themselves more clearly and strongly as material progress goes on. Where the conditions to which material progress everywhere tends are most fully realised—that is to say, where population is densest, wealth greatest, and the machinery of production and exchange most highly developed—we find the deepest poverty, the sharpest struggle for existence, and the most enforced idleness.

It is to the newer countries—that is, to the countries where

material progress is yet in its earlier stages—that labourers emigrate in search of higher wages, and capital flows in search of higher interest. It is the older countries—that is to say, the countries where material progress has reached later stages—that widespread destitution is found in the midst of the greatest abundance. Go into one of the new communities where Anglo-Saxon vigour is just beginning the race of progress; where the machinery of production and exchange is yet rude and inefficient; where the increment of wealth is not yet great enough to enable any class to live in ease and luxury; where the best house is but a cabin of logs or a cloth and paper shanty, and the richest man is forced to daily work—and though you will find an absence of wealth and all its concomitants, you will find no beggars. There is no luxury, but there is no destitution. No one makes an easy living, nor a very good living; but every one *can* make a living, and no one able and willing to work is oppressed by the fear of want.

But just as such a community realises the conditions which all civilised communities are striving for, and advances in the scale of material progress—just as closer settlement and a more intimate connection with the rest of the world, and greater utilisation of labour-saving machinery, make possible greater economies in production and exchange, and wealth in consequence increases, not merely in the aggregate, but in proportion to population—so does poverty take a darker aspect. Some get an infinitely better and easier living, but others find it hard to get a living at all. The " tramp " comes with the locomotive, and almshouses and prisons are as surely the marks of " material progress " as are costly dwellings, rich warehouses, and magnificent churches. Upon streets lighted with gas and patrolled by uniformed policemen, beggars wait for the passer-by, and in the shadow of college, and library, and museum, are gathering the more hideous Huns and fiercer Vandals of whom Macaulay prophesied.

This fact—the great fact that poverty and all its concomitants show themselves in communities just as they develop into the conditions toward which material progress tends—proves that the social difficulties existing wherever a certain stage of progress has been reached, do not arise from local circumstances, but are, in some way or another, engendered by progress itself.

And, unpleasant as it may be to admit it, it is at last becoming evident that the enormous increase in productive power which has marked the present century and is still going on with

accelerating ratio, has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil. It simply widens the gulf between Dives and Lazarus, and makes the struggle for existence more intense. The march of invention has clothed mankind with powers of which a century ago the boldest imagination could not have dreamed. But in factories where labour-saving machinery has reached its most wonderful development, little children are at work; wherever the new forces are anything like fully utilised, large classes are maintained by charity or live on the verge of recourse to it; amid the greatest accumulations of wealth, men die of starvation, and puny infants suckle dry breasts; while everywhere the greed of gain, the worship of wealth, shows the force of the fear of want. The promised land flies before us like the mirage. The fruits of the tree of knowledge turn as we grasp them to apples of Sodom that crumble at the touch.

It is true that wealth has been greatly increased, and that the average of comfort, leisure, and refinement has been raised; but these gains are not general. In them the lowest class do not share.[1] I do not mean that the condition of the lowest class has nowhere nor in anything been improved; but that there is nowhere any improvement which can be credited to increased productive power. I mean that the tendency of what we call material progress is in nowise to improve the condition of the lowest class in the essentials of healthy, happy human life. Nay, more, that it is to still further depress the condition of the lowest class. The new forces, elevating in their nature though they be, do not act upon the social fabric from underneath, as was for a long time hoped and believed, but strike it at a point intermediate between top and bottom. It is as though an immense wedge were being forced, not underneath society, but through society. Those who are above the point of separation are elevated, but those who are below are crushed down.

This depressing effect is not generally realised, for it is not apparent where there has long existed a class just able to live. Where the lowest class barely lives, as has been the case for a long time in many parts of Europe, it is impossible for it to get any lower, for the next lowest step is out of existence, and no

[1] It is true that the poorest may now in certain ways enjoy what the richest a century ago could not have commanded, but this does not show improvement of condition so long as the ability to obtain the necessaries of life is not increased. The beggar in a great city may enjoy many things from which the backwoods farmer is debarred, but that does not prove the condition of the city beggar better than that of the independent farmer.