

FOURTH PRIZE, TEN DOLLARS.

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"If you would eradicate an evil strike at its root." Such is the infallible maxim of success that guided the master mind of Henry George to the solution of that all potent problem, "Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?"

From the moment he was first brought to realize the great inequality in the distribution of wealth, on the one hand, the few, amid countless millions, beguiling their ennui with high living, while, on the other, the multitude, amid the most abject poverty, striving for a bare animal existence, the momentous problem of its cause and cure ever demanded a solution.

The demand was answered in his famous work "Progress and Poverty," the crowning work of that benefactor of the 19th century, a panacea for the seemingly irreconcilable inequalities in the distribution of the world's wealth.

Revolutionary in its nature as it may seem, yet its undeniable basic truths, draw its readers unanimously to an appreciation of its "safe and sane" reasoning.

It comes into immediate conflict with the accepted explanations of economic conditions, theories that have guided the greatest minds of the economic world, Ricardo, Smith, and Mill. Yet, to the unbiased mind their utter fallacy is clearly revealed in "Progress and Poverty."

The theory that "Wages are derived from capital," he denies,—going to the simplest form of production, he points out that primitive man had no pre-existing capital to draw upon while he awaited the fruits of his labors,—the treasures of nature were open to him, he had but to apply those faculties of production afforded him and his wants would be satisfied. The existing theory, he explains, arose from a consideration of production in a more advanced stage, where untold millions backed the manufacturing enterprises—yet this wealth, he points out, is but the accumulation of others in former years,—not an unearned quantity or gift of Providence.

The Malthusian theory, a co-working and substantiating corollary of the law of wages, is likewise assailed. Malthus, whose name has almost become a synonym of political economy, has handed down the dictum that "population increases faster than subsistence,"—in this axiom of political economy lies the generally accepted explanation of existing conditions.

Using a bewildering series of mathematical and geometrical ratios, Malthus explains that population tends to increase at a greater rate than subsistence, and eventually population will reach that stage where a greater increase will mean starvation for those souls in excess of the balance between population and subsistence.

The only solution offered by the Malthusian dogma, inconsistent as it is with natural laws, has been readily accepted,—"it must either be held back by moral restraint of the faculties of reproduction or by the various causes which increase mortality." Think of it! Think of the great carnage at present raging in Europe as a means of relieving the pressure of population on subsistence—a paradox of natural laws!

In his assault upon this stronghold of current political economy, Henry George simply cites well-grounded historical facts showing that the sparseness of the world's population discredits any assertion as to an overcrowding of the world, and, instead of increasing, the population of the world in many instances is rapidly decreasing.

The poverty existing in Ireland, China and India, cited by the Malthusian supporters as cases of over-population, Henry George explains, is due, not to the lack of means of subsistence, but to the rapacity of the land owners and other prevailing social mal-adjustments.

He points out that Ireland, even in its most overcrowded period, has been an exporting nation, a fact that proves that there has been no lack of the means of subsistence.

Quite the opposite is the result of increased population as seen by Henry George. Instead of starvation, he looks for greater plenty. As he explains, "every new mortal ushered into the universe has those faculties of producing wealth, which, when applied, must necessarily add to the general wealth."

Turning to the laws of distribution, out of the hazy, incoherent enigma afforded by the current philosophy he moulds definite co-relating quantities.

Smith, Ricardo and McCulloch, leading exponents of the current theories, all recognize rent, wages and interest, three distinct terms, as the returns of the respective elements of production—land, labor and capital.

Ricardo evolved the law of rent, which alone received the sanction of Henry George. This law runs as follows: "The rent of land is determined by the excess of its produce over that which the same application of labor can secure from the least productive land in use." But, in distinguishing the difference between, and associating the terms wages and interest, they differ widely; so much so, that when one attempts their association, the proof of their validity, each seems to nullify the other.

Henry George, by a plain, logical association of fundamental principles, blends the three quantities into an harmonious co-relating unit, the laws of wages and interest revolving about the law of rent, the most potent of the three; each depending on and at the same time supporting the other.

In applying these laws he explains, that inasmuch as capital and labor are not benefitted by increased production, the increase necessarily finds its way into the one remaining factor—rent.

It is by an application of these laws that he accounts for the high rate of interest and wages in a newly settled country—it is not that nature yields her bounty more lavishly, but that land being cheaper a smaller amount of labor will yield a greater return because, rent, in this instance, is a very small factor. But as these lands are settled the margin of cultivation is lowered and consequently rents are raised at the expense of capital and labor. Reverting to the law of rent, "rent of land depends on the margin of cultivation, that is, the excess in the yield to labor over that of the same amount of labor applied to the least productive lands."

Having conclusively proven that land is the sole beneficiary of increase of production he extends his inquiry to the question "What causes rent to advance?"

The current philosophies attribute it to increase in population alone, that is, as population increases, production is forced to inferior land, lowering the margin and increasing rents.

Henry George admits the influence of population on the raising of rents, but he goes further,—he not only traces it to population but to improvements in the arts of production, advancement of moral standards, higher education and better government as equally potent influences in material progress.

Man, ever filled with an insatiable desire for more wealth, having his power of labor augmented by new devices or methods, is not satisfied with the produce which less labor will now afford, but becomes still more desirous and grasping in his pursuit of wealth, and so, with his new labor-saving devices, he extends his efforts to new and less productive land, incidentally lowering the margin of cultivation and thereby increasing rents.

Education, better morals and government, like new inventions, are readily seen to exert a great influence in material progress, extending the area of cultivation and likewise raising rents.

Accompanying material progress, there is an attendant evil, recognized but seldom given any thought by the casual observer, that evil, Henry George points out, as "expectation raised by material progress" or to use a more concise phrase "land speculation." Keen-minded and far-seeing financiers, noting the rapidity with which land is being taken up, occupy vast uncultivated strips beyond the actual margin of cultivation, holding them in the expectation of selling them at a great increase in value. Thus the new-comers must either pay the prices of the speculator or go beyond this distorted margin to less productive lands. This speculation is particularly noticed in newly settled countries, where vast uncultivated areas are withheld from use by an individual, demanding the prices that those lands would bring when the actual margin of cultivation should reach its boundaries.

To this speculation, Henry George traces the frequent industrial depressions of our day. This margin of cultivation, raising, as it does, rents, gradually approaches that point at which the allotment of capital and labor is at a minimum; beyond that point production must cease—the wheels of industry are brought to a standstill and the evil clouds of industrial depression gradually envelop the whole world—a phenomenon generally accredited to "over-consumption" or "over-production," unbalancing that popular phrase, "supply and demand."

Finally, the discordant elements are reconciled, either by a cessation in speculative advance in rents, by an increase in population or labor-saving devices allowing the actual to overtake the distorted margins of cultivation, or, by labor and capital consenting to operate for smaller returns; but no sooner has the equilibrium been restored than the same causes recommence their evil work, soon, to again destroy the balance and in turn be again restored.

Having thus in a clear, masterful, and concise manner shown the fallacy in the existing doctrines and the cause of the morbid condition of the industrial world, this seemingly irreconcilable inequality in the distribution of wealth—he presents his remedy—"The making of land common property." Putting it into tacit and practical form: "The abolition of all taxes save those on land values." So seemingly revolutionary and inconsistent, yet, he conclusively shows that it measures up to the canons of taxation: "it bears as lightly as possible on production," "it is certain," and, "it bears equally upon all." Again, he shows that it is nothing new inasmuch as we now have a tax upon land; it involves no new principles—the same law of rent will be recognized,—but, instead of directing this "unearned increment" into the coffers of a few idle landowners, it will be directed into a common treasury, there to be exercised for the common weal.

As to carrying out his remedy, he explains that we have but to abolish all taxes save those on real estate, that is, the bare land, increasing them so as to include, at all times, the greater portion of economic rent.

The effect would be as the awakening of a new era; restrictions being removed from industry, production would rapidly increase. Man, no longer having need to fear land monopoly would be content with the fruits of his labors, inasmuch as he would stand on an equality with all his fellow men; robbery and vice would be things of the past; government would be so simplified and man no longer forced to combat inequalities, that he might turn his thoughts to higher and more sublime things; he would be living in an age to which that phrase "Life, liberty and the pursuit of happiness" might truthfully be applied. Human progress, released from the ban of inequality, might exercise its sway unhampered—Association in Equality."

Such would be the alleviating effect of the "SingleTax" remedy, but, if the world refuses the proffered balm, the approaching "struggle that must either revivify or convulse in ruin," will hurl civilization back over that path trodden by the civilizations of Rome and Greece into oblivion.

I reiterate, we must choose between retrogression under the present system and definite, accelerating advance under the system proposed by that great worker in the cause of mankind, Henry George!