

of cost, is seen to be an inversion of the natural order, for obviously rent is in effect a reduction of cost, the user of a superior location producing at less cost per unit than those using inferior locations.

The notion that wages are paid to labor out of capital or by capitalists is also seen to be an inversion of the natural order, for obviously wealth must first be produced before there is anything for labor to have or to share in.

The notion that interest is extorted from producers is seen to be an inversion of the natural order, for obviously it is nature that pays interest, and it pays it to the user of capital by yielding a product that is due to the use of capital.

This discussion is intended to emphasize and somewhat amplify points to which Henry George called attention in "Progress and Poverty," but which he did not enlarge upon because not essential to his inquiry. This discussion is not in any way an improvement on or correction of Henry George, but may serve as a correction of some who have failed to grasp the teaching of this greatest American.

## Unpublished Letter of Henry George

READ BY A. LAURENCE SMITH AT HENRY GEORGE  
CONGRESS

417 First St.,  
San Francisco, June 29/'80.

Frank H. Norten, Esq.

My dear Sir:

I have since writing received the copy of the *Era*, also the pamphlets and the pasted articles. I have read these with a great deal of interest and pleasure, and shall read them again. I see that you have given a great deal of thought to these questions, and I see at once that my book will explain itself perfectly to you, and that you will perceive connections and methods on which I have touched but lightly.

Coming from a man who has thought and has *felt* about these things, what you say of my book pleases me. I am glad of your appreciation and recognition. And I will say to you frankly that I have the same idea of its importance which you express. It may be a long while in making its way; but that does not trouble me.

I am very glad to have made your acquaintance, for working in a common cause we can be of much mutual assistance. And you are in a position, it seems to me, to do a great deal. The important thing to be done is to effect a junction between capital and labor. Paradoxical as it may seem to one who has never thoughtfully considered the matter the hope for the enfranchisement of labor is through the selfish aid of the tremendous aggregations of capital whose growth and power you so well appreciate. The interests of the railroad kings and the interests of the day laborers run for a long distance together. But as to their true interests the one class is as ignorant as the other, and it is as necessary to "spread the light" in the one as in the other direction. Cannot this be done? Are there not among the great railroad managers and merchants of New York men intelligent enough to see that what we want is just what will be best for them?

I see the *New York Times* has at last noticed my book—in a very flippant and unjust way, it is true; but still I am glad to see the notice. If the professed political economists will only start in to "refute"

the truths I have tried to make clear, their acceptance will come so much the sooner.

I should like to hear from you again, and I hope you will send me whatever you write on these subjects. Have you by the by any acquaintance with the writings of Agathan de Potter of Brussels? He has recently written to me and sent me some of his writings. I am not only greatly pleased with them, for on essential things we completely agree, but I have formed a very high opinion of the man, and if you know nothing of him I would like you to become acquainted. I presume you read French, which unfortunately I do not.

With best wishes, and hoping to hear from you again, I am

Yours truly,

HENRY GEORGE.

## A Popular Novelist Speaks

**W**E fathers and mothers of today are anxious about the drift of the rising generation toward reckless radical thought, aren't we? Granted.

And at the same time we can't tell the children that everything in the world is all right, that there must be want and hunger in the midst of plenty, and that thousands of hands aching for work must remain idle, can we? Granted.

But we do feel, in the depths of our worrying and loving hearts, that if there *were* something we could do to keep them American, to prove to them that their eternal natural impulse toward change, their eternal young impatience with needless suffering could be satisfied right under their own magnificent Constitution, we would do it. Also granted.

If you reading this, feel that, then give this thing five minutes of your time now, open your eyes to it, and some day hand on to these same fine, restless, ambitious youngsters a better world than the one you and I were born into.

To begin then: Is not every time of social misery identified with cruel, unjust taxes? And what would you say of the injustice that is the base and structure of a stupid taxation system that permits private appropriation of the publicly created revenue and then puts the load that it should bear on the homes, the furniture, the purchases of the everyday people of our state?

There is not a good, thrifty, hard-working farmer's wife in all California who would not resent it bitterly if her husband told her that he and she had to pay the taxes for seven or eight of the neighbors.

"Oh, and what do *they* pay?" she would ask suspiciously, stopping her work, whatever it was, looking at him for an explanation of such madness.

And if he said, "Well, they pay nothing. They're just—in luck. From now on they can travel about, live luxuriously, leave fortunes to their children. And that means we have to work harder, give up comforts and even necessities, mortgage and borrow for the rest of our lives," then wouldn't her emphatic answer be, "Are we *fools*?"

But just the same that farmer and his wife, and every other one of us who pays the Sales Tax and taxes on improvements at all, *is* paying for the unearned idleness and luxury of others, and as taxes multiply and increase in every direction the injustice of the situation multiplies and increases, too.

I'm not speaking of the taxes the rich pay. The rich are always in a minority. I'm speaking of the everyday taxes the very poorest, the hardest-working men and women of the state pay; those sly hidden taxes that make every loaf of bread you buy carry 53 separate assessments; every pound of bacon pay 36 cents to someone; every dollar telegram carry a weight of 60 cents!

And all the while the real wealth-making thing, the *one* thing from which all wealth flows, the land—this earth, the only thing upon which we can live, the thing our presence gives a value to—is being very lightly taxed, or not taxed at all.