

CHAPTER 1

INTRODUCTION: AN ENIGMA

"It is with a deep feeling of gratitude to our Father in Heaven," wrote Henry George on sending his father an advance copy of *Progress and Poverty*, "that I send you a printed copy of this book. I am grateful that I have been enabled to live to see it. It represents a great deal of work and a good deal of sacrifice, but now it is done. It will not be recognized at first—may not be for some time—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."¹

The book was published in San Francisco in 1879. For the first year it went slowly; then it kindled into fame. Though primarily a treatise in economics, its breadth of philosophic thought and serene excellence of style gave it the stature of a literary classic. Prominent men and factory hands alike became interested in it. Something authentic in its tone, some poetic passion in its argument, penetrated the minds of thousands who had never thought about political economy, casting for them the light of humanism upon "the dismal science." Soon it was read in many countries—and still is today.

Progress and Poverty stated that the tremendous material progress of nineteenth-century civilization had not had the hoped-for result of putting an end to poverty. On the contrary, with increasing inventions and facilities for production, the bitter gap between rich and poor had increased.

After a long chain of technical economic reasoning, George established what seemed to him the underlying cause of this maldistribution of wealth. It was that Land, the fountainhead of food and resources, the site of all homes and the raw material of all industry, was allowed to be a source of enrichment for the individuals who owned it, instead of being the natural birthright of the people as a whole. So long as economic life was based on this inequity, and landholders who, as such, contribute nothing to production, could force others to pay them highly for the mere opportunity to live and work on their land, so long would the maldistribution of wealth prevail.

The private profitability of land, of portions of Nature, was an ethical as well as an economic injustice: "a bold, bare, enormous wrong."

To correct this primary imbalance in the distribution of wealth was the problem. George's solution was to have each landowner pay the state the annual value of what his land alone (not the buildings on it) was worth, with this rental value, collected in the form of a tax, reverting to the people as public revenue. He thought the poverty of wage earners would be largely alleviated if the unearned income from land were thus siphoned into the public treasury, and land made available at low cost for dwellings and all kinds of production.

In addition, he estimated that the revenues from land would suffice for social needs, making ordinary taxation unnecessary. Although he himself did not choose the name, his proposal for a rental tax which presumably would be the only one needed later became known as "the single tax."

Such in briefest preliminary outline is the thesis of *Progress and Poverty*. After the book was published, George spent much of the rest of his life propounding in speeches and in other writings its main idea. His ardency of conviction and the distinction of his character gave him a singular force and influence.

"I have met people who differed from his theories," wrote his granddaughter, the choreographer Agnes de Mille, "I have yet to meet anyone who heard him speak or who knew him who was not dazzled. They became disciples, followers, and heralds,

or in the case of his avowed political enemies, reluctant admirers. Today, fifty years after his death, old men's eyes fill with tears at the mention of his name, and I, the granddaughter, have been asked to take off my hat so that the shape of my head could be studied."²

George's fame both as a land reformer and as a waker of social consciences is secure. There is probably no general encyclopedia written in English, not to mention many another language, that does not include him, and few histories of economic thought would pass him by. Tolstoi, Shaw, Sun Yat-sen and many other leaders were deeply influenced by him.³ Yet his specific proposal for the governmental appropriation of land values has nowhere been adopted to any significant degree. So far there is nothing unusual about this; there are many men of high historic reputation whose dearest plans for which they were best known were ultimately not considered worth following.

But the curious thing about Henry George's proposal is that though it has not been adopted, neither has it been dropped. Ever since his lifetime there has been an extensive movement in its behalf. There are Henry George Schools, at one time numbering twenty-three, in major cities of the United States and Canada, an active publishing house in New York, and two other nationwide U.S. institutions. An international Georgist organization, headquartered in London, has branches in Denmark, Australia and New Zealand, with ramifications in Central and South America and Africa.

It is now over a hundred years since George's masterwork was published, and these organizations have been operative more than half the time. Yet their legislative achievements have been slight. A century is a long while for an idea to be neither rejected nor accepted: there is something enigmatic about this. Evidently the proposal must have much to be said both for and against it—but what?

"The 'single tax' will not be at issue here. Today few people think that a land tax would suffice for all public revenue, and in any case, those familiar with the proposal know that it is

essentially an attack on special privilege in land, rather than an attempt to reduce all taxation to one form.

The problem to be explored is why George's judgment as to society's main economic flaw, and his proposal to correct it, despite the brilliance of his reputation and the persistence of his followers, on the whole has been brushed aside. One might expect his remedy not to have been adopted in anything like the sweeping way he recommended; but even in principle it has been largely ignored. Famous though he was, there was no application of his land reform ideas in the United States during his lifetime—and very little thereafter.

The question becomes especially provocative when one realizes that land as a factor in the social environment is still held to be of the highest importance.

"One cause of poverty is pervasive," writes John Galbraith in *The Age of Anxiety*, "that is the relationship . . . between land and people. Understand that, and we understand the most general single cause of deprivation."⁴

Even if the above pertains more acutely to the poverty in underdeveloped countries, there is in industrial countries an added way in which the power of landholders is significant: their capacity to cause environmental pollution and depletion of resources. The question of the private profitability and control of land has, if anything, become more comprehensive than in George's day. And so it is even more puzzling that the principle he propounded now occupies a place halfway between affirmation and oblivion.

To investigate the fate of a proposal one must consider its many interwoven strands: the outlook and psychological bent of its originator, the tendencies of its supporters, and special historic circumstances, as well as the validity of the idea itself. It is not enough to concentrate, as is so often done with George, on the latter aspect and merely discuss the economic pros and cons of the land-tax concept. A many-sided approach is needed, which this study will aim to supply.

It may then be seen that the usual portrayal of George as equally land reformer and tax reformer is not accurate; and that a truer interpretation makes his proposal more relevant to modern conditions.