

PROGRESS AND POVERTY

The following review of the new popular edition of "Progress and Poverty," which was featured as the "Book of the Week," appeared on 13th July in "Reynolds's Illustrated News"—a Sunday newspaper with a circulation of over one million. The author is Mr Myles Long.

The Henry George Foundation of Great Britain should be congratulated upon the happy chance that the fifty-first anniversary of the publication of *Progress and Poverty* should have come in a year when the British Chancellor of the Exchequer proposes to introduce legislation for the taxation of land values. That proposal was part of the second Labour Budget speech; and the fight in the Legislature is still ahead—unless a combination against the Government should bring about the defeat so narrowly averted a few nights ago.

This is surely an appropriate time for the publication of a new edition of this work, of which 3,000,000 copies have already been sold. The fifty-first anniversary edition of *Progress and Poverty* (Henry George Foundation of Great Britain, 11, Tothill Street, S.W.1) has been issued at a shilling. It is surely the best shillings-worth the booksellers have had to handle for a long time.

The Land Taxation Bill will create a great storm in the political world, and may lead to a campaign with public demonstrations such as we have not seen since 1909. It may even precipitate a General Election with a fresh campaign against the House of Lords—so strongly provoked by their lordships' treatment of the Coal Bill.

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Progress and Poverty is, therefore, a book likely to be quoted in Parliament and in the country before and after the Bill is introduced; and the fact that the new edition is down to a shilling brings it within reach of all. It is not a shoddy production. It is well printed, well bound in stiff cloth covers, and it almost looks as if the intention of the publishers was that it should be carried about in the pocket, in spite of its having more than 400 pages with a comprehensive index.

The views set forth in *Progress and Poverty* were first formulated by Henry George in 1871 in a pamphlet. Others before him had the same ideas and wrote about them, and advocated the same solution for economic troubles; but his *Progress and Poverty* is recognized as an exhaustive study of the subject which the title indicates. Faced with the fact that his century—the nineteenth—had been marked by a prodigious increase in wealth-producing power, which ought to have made poverty a thing of the past, he found that:—

"From all parts of the civilized 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 among the working classes."

Why there should be intense poverty when inventions, labour-saving devices, and machinery which multiplied the output of articles had become so generally adopted, prompted the extensive inquiries which led to the completion of *Progress and Poverty* in 1879.

Here is the world as he saw it then:—

"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 organization, 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."

* * *

If Henry George viewed the world to-day, would he see much difference? Would he see these evils eliminated, in spite of the fact that inventions have gone on apace during the last half-century?

The world has been brought into smaller compass than ever. The motor-car, electricity, the telephone, the wireless have all quickened communications and accelerated the exchange of goods and services. The "national wealth" and the "national income," as shown in authoritative records, both grow at a phenomenal rate, and yet in this country we have more than 2,000,000 people unemployed.

What is the cause of all this? Henry George's study was no superficial one. Theories about the source of wages and the effect of wages current fifty years ago are brushed aside in his conclusion that wages are produced by the labour for which they are paid. Interest on capital, he shows, must rise or fall with wages; and he finds that land values rise in proportion to material progress, and pronounces his verdict that "nothing short of making land common property can permanently relieve poverty and check the tendency of wages to fall to the starvation point." He directs attention to the difference between prosperity in things which are the product of labour and property in land: "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." Then we come to his most widely quoted theses:—

"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 resist its right. . . ."

"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 taxes except that on land values."

To sum up, so long as private owners have the exclusive property in land, rent must always come first in the charge upon industry. Wages, and even interest on capital, may vary—they may rise and fall—but as progress is made and a country develops the exactions

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of rent become a burden which extends and aggravates poverty. Even co-operation, he declares, is not a remedy for poverty. All that it can do, however much it may do, its economies, Henry George contends, would simply produce the result that—

“the owners of land, the source of all wealth, could command a greater amount of wealth for the use of their land. . . . Land, without which there can be no production, is monopolized, and the competition of producers for its use forces wages to a minimum and gives all the advantage of increasing productive power to landowners in higher rents and increased land values. . . . Destroy this monopoly, and industry must become the co-operation of equals.”

These views are seriously contested in many quarters ; but the taxation of land values will be a most hotly-debated subject before the year is out, and *Progress and Poverty* will put many ideas into the heads of the people—to too few—who do discuss political and economic problems. In any case, the book will bear re-reading.

MAKING TWO MINUTES GROW WHERE ONLY ONE GREW BEFORE

“The ferry system between Oakland and San Francisco is the worst one-horse concern in the United States. You cross it every day, six days in the week. That’s say, twenty-five days a month, or three hundred a year. How long does it take you one way? Forty minutes, if you’re lucky. I’m going to put you across in twenty minutes. If that ain’t making two minutes grow where one grew before, knock off my head with little apples. I’ll save you twenty minutes each way. That’s forty minutes a day, times three hundred equals twelve thousand minutes a year, just for you, just for one person. Let’s see: that’s two hundred whole hours. Suppose I save two hundred hours a year for thousands of other folks—that’s farming some, ain’t it? . . .

“Look at it,” said Daylight, extending his arm in a sweeping gesture. “A hundred thousand people there, and no reason there shouldn’t be half a million. There’s the chance to make five people grow where one grows now. Here’s the scheme in a nutshell. Why don’t more people live in Oakland? No good service with San Francisco, and, besides, Oakland is asleep. It’s a whole lot better place to live in than San Francisco. Now, suppose I buy in all the street railways of Oakland, Berkeley, Alameda, San Leandro, and the rest—bring them under one head with a competent management? Suppose I cut the time to San Francisco one-half by building a big pier out there almost to Goat Island and establishing a ferry system with modern up-to-date boats? Why, folks will want to live over on this side. Very good. They’ll need land on which to build. So, first I buy up the land. But the land’s cheap now. Why? Because it’s in the country, no electric roads, no quick communication, nobody guessing that the electric roads are coming. I’ll build the roads. That will make the land jump up. Then I’ll sell the land as fast as the folks will want to buy because of the improved ferry system and transportation facilities.

“You see, I give the value to the land by building the roads. Then I sell the land and get that value back, and after that, there’s the roads, all carrying folk back and forth and earning big money. Can’t lose. And there’s all sorts of millions in it. I’m going to get my hands on some of that water front and the tide-lands. Take between where I’m going to build my pier and the old pier. It’s shallow water. I can fill and dredge and put in a system of docks that will handle hundreds of ships. San Francisco’s water front is congested. No more room for ships. With hundreds of ships loading

and unloading on this side right into the freight cars of three big railroads, factories will start up over here instead of crossing to San Francisco. That means factory sites. That means me buying in the factory sites before anybody guesses the cat is going to jump, much less which way. Factories mean tens of thousands of working-men and their families. That means more houses and more land, and that means me, for I’ll be there to sell them the land. And tens of thousands of families means tens of thousands of nickels every day for my electric cars. The growing population will mean more stores, more banks, more everything. And that’ll mean me, for I’ll be right there with business property as well as home property. What do you think of it? . . . And once things begin to hum, outside capital will pour in. All I do is start it going. ‘Gentlemen,’ I say, ‘here’s all the natural advantages for a great metropolis. God Almighty put them advantages here, and he put me here to see them. . . .

“Then there’s the water. I’ll come pretty close to owning the watershed. Why not the waterworks, too? There’s two water companies in Oakland now, fighting like cats and dogs, and both about broke. What a metropolis needs is a good water system. They can’t give it. They’re stick-in-the-muds. I’ll gobble them up and deliver the right article to the city. There’s money there, too—money everywhere. Everything works in with everything else. Each improvement makes the value of everything else jump up. It’s people that are behind the value. The bigger the crowd that herds in one place, the more valuable is the real estate. And this is the very place for a crowd to herd. Look at it. Just look at it! You could never find a finer site for a great city. All it needs is the herd, and I’ll stampede a couple of hundred thousand people in here inside two years. And what’s more, it won’t be one of these wild-cat land-booms. It will be legitimate. Twenty years from now there’ll be a million people on this side the bay. . . .”

“But how are you going to do it?” Dede asked. “You haven’t enough money for all that you’ve planned.”

“I’ve thirty million, and if I need more I can borrow on the land and other things. Interest on mortgages won’t anywhere near eat up the increase in land values, and I’ll be selling land right along.”—JACK LONDON in *Burning Daylight*.

A. H. (Liverpool) writes relative to the Prize Essay Competition of the Henry George Foundation: “The copy of *Progress and Poverty* received has given me the greatest pleasure to read. I have read the book twice and in the future will make a point of reading it at regular intervals. All other current works on political economy absolutely pale into insignificance when compared with this great masterpiece. On the inside of the cover I notice an advertisement of another book by Henry George entitled *Protection or Free Trade*, and enclose stamps value 1s. 3d. for a copy.”

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We take the following from the *Daily Telegraph* (1st August, 1930):—

“Application is to be made by Middlesex County Council to the Ministry of Health for sanction to borrow £67,684 for the purchase of Horsenden Hill and surrounding land for use as an open space and sports ground. The Council have also agreed to contribute 75 per cent towards the expenditure of £25,000 by the Enfield Urban District Council for the acquisition of White Webbs Park, Enfield, as a regional public open space. The estate comprises 251 acres.”