

## CHAPTER 5

### *Other Writing of Henry George*

We have already examined closely George's first and fourth books: *Progress and Poverty*; and *A Perplexed Philosopher*, in which he proclaimed his polemic against Herbert Spencer. In this chapter we shall examine in chronological order by date of publication his three other books and two major articles.<sup>1</sup>

#### *"The Irish Land Question"*

George published a pamphlet titled "The Irish Land Question" in 1881 before his first trip to Ireland and England. The title was later changed to "The Land Question," because it applied to other countries as well, and it was republished abroad under the second title.

This work became popular almost at once, and it helped publicize *Progress and Poverty*. It also prepared the way for his visit to Ireland and to his enthusiastic reception there.

Ireland, wrote George, is afflicted with the same atrocious land system "which prevails in all civilized countries." If Ireland were suddenly made a state of the United States, and if American law were substituted for English law there, the Irish landlords would lose nothing, and the tenants would gain nothing. Ireland is a conquered country, but so is every country where landlords have seized the land.

When there is famine among primitive societies, it is because there is not enough food to be had. But during the height of the Irish famine in 1846-47 there was food enough for those who could pay for it. During all the so-called famine, food was being exported from Ireland to

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1. Some of his very long articles have been classified as books; he therefore wrote five to eight books, depending on what is called a book.

England. So many Irish people were starving not because food was scarce, but because they did not have the means to buy it. It was a financial famine, arising not from the scarcity of food but from the poverty of the people.

We see such hunger on a smaller scale in many countries. The warehouses and shops are full, the rich live in profligate wastefulness, and many men, women and little children are hungry. When men everywhere will cancel the rights of landowners to receive rent from the land, they will be asserting their own natural rights.

George rejected the solution to the problem that some people advocated: that the state should establish peasant proprietorships by buying out the landlords and selling small farms to the tenants on easy terms. This action would not help the mass of farmers because they would still be paying tribute to the landlords through the government. In addition, the trend toward concentrating small farms into large ones would go on in Ireland as it has been going on in Great Britain and the United States. This process of concentration springs from inventions and improvements and economies of large-scale production, which work toward large-scale enterprises in agriculture as well as in industry. "Even butter and cheese are now made and chickens hatched and fattened in factories," George declared.

The fatal defect of schemes such as this one is that it seeks to help only one class of the Irish people—the agricultural tenants. They are not as poor as agricultural and urban laborers; in fact, some Irish tenants are large capitalist farmers of the English type. Selling the tenants the land would leave untouched the fundamental cause of poverty. It would even be politically more difficult to have a 100 percent tax on the rent of land if there were many smallholders instead of a few large landlords.

It is not possible to divide up the land of Ireland to give each family an equal share. "But it is possible to divide the rent equally, or, what amounts to the same thing, to apply it to purposes of common benefit," George stated. To demand the nationalization of the rental income from land would bring the English and Scottish people into the struggle alongside the Irish. It would also unite urban and rural labor and capital against landlordism. "This combination proved its power by winning the battle of free trade in 1846 against the most determined resistance of the landed interest," George asserted.

## Social Problems

In 1883 George was asked to write a series of thirteen articles for *Frank Leslie's Illustrated Newspaper*. In the same year he published these articles as his second book, *Social Problems*. Each article became a chapter, and he added eight new chapters and a conclusion.

As a result of writing about "The March of Concentration" in Chapter V, George found himself in a controversy with Francis A. Walker. In addition to all the other accomplishments of this eminent economist, Walker had been chief of the United States Bureau of Statistics and Superintendent of the censuses of 1870 and 1880. The Census Bureau reported that the average size of farms in the United States was declining, from 153 acres in 1870 to 134 acres in 1880. George denied it. He argued that common observation showed that farms were growing larger, that the march toward concentration was proceeding in agriculture as it was in industry. The figures of the censuses themselves denied the Census Bureau's conclusion, said George. Between 1870 and 1880 the number of farms increased 50 percent. But farms under 50 acres were decreasing, while those larger than that were increasing. How, then, could the average size of farms be falling?

In a curt letter to *Frank Leslie's*, Professor Walker suggested that if the census reports were not clear to Mr. George, he could supply "a more elementary statement, illustrated with diagrams" in support of the official statement that the average size of farms was decreasing. George and Walker continued the controversy through the press. The matter was finally cleared up when the Census Bureau explained that the tables for 1870 were based on *improved* area while those for 1880 were based on *total* area. Therefore Walker's comparison of the two censuses was invalid, and George's charge of carelessness was vindicated. The *New York Sun*, in summarizing the long controversy in which Walker had been rather contemptuous of George, wrote:

It is amusing because, while there is no lack of suavity and decorum on the part of Mr. George, his opponent squirms and sputters as one flagrant blunder after another is brought forward and the spike of logic is driven home through his egregious fallacies.<sup>2</sup>

2. Henry George, Jr., *The Life of Henry George* (New York: Robert Schalkenbach Foundation, 1960), p. 409. [Originally published in 1900.]

Is there not enough wealth to go around for all, asked George, if it were distributed properly? And could we not produce much more than we do? Wherever we look we see the most stupendous waste of productive forces. The masses of people are overcrowded in city tenement-houses while vacant lots are plentiful. Settlers go to Montana, Dakota and Manitoba while land much nearer to the centers of population remains untilled. Much of our machinery is idle, people are unemployed, and output is restricted while many people suffer want. It took the waste and destruction of the civil war to bring prosperity to the United States. George went on to say:

The masses of the people lived better, dressed better, found it easier to get a living, and had more luxuries and amusements than in normal times. There was more real, tangible wealth in the North at the close than at the beginning of the war. Nor was it the great issue of paper money, nor the creation of the debt, which caused this prosperity. The government presses struck off promises to pay; they could not print ships, cannon, arms, tools, food and clothing. Nor did we borrow these things from other countries or "from posterity." Our bonds did not begin to go to Europe until the close of the war, and the people of one generation can no more borrow from the people of a subsequent generation than we who live on this planet can borrow from the inhabitants of another planet or another solar system. The wealth consumed and destroyed by our fleets and armies came from the then existing stock of wealth. We could have carried on the war without the issue of a single bond, if, when we did not shrink from taking from wife and children their only bread-winner, we had not shrunk from taking the wealth of the rich.

Our armies and fleets were maintained, the enormous unproductive and destructive use of wealth was kept up, by the labor and capital then and there engaged in production. And it was that the demand caused by the war stimulated productive forces into activity that the enormous drain of the war was not only supplied, but that the North grew richer. The waste of labor in marching and countermarching, in digging trenches, throwing up earthworks, and fighting battles, the waste of wealth consumed or destroyed by our armies and fleets, did not amount to as much as the waste constantly going on from unemployed labor and idle or partially used machinery.

It is evident that this enormous waste of productive power is due, not to defects in the laws of nature, but to social maladjustments which deny to labor access to the natural opportunities of labor and rob the laborer of his just reward.<sup>3</sup>

3. Henry George, *Social Problems* (New York: Robert Schalkenbach Foundation, 1966), pp. 75-76. [Originally published in 1883.]

George's powerful descriptions of the poverty that shocked him appeared in this book also:

In New York, as I write, the newspapers and the churches are calling for subscriptions to their "fresh-air funds," that little children may be taken for a day or for a week from the deadly heat of stifling tenement rooms and given a breath of the fresh breeze of sea-shore or mountain; but how little does it avail, when we take such children only to return them to their previous conditions—conditions which to many mean even worse than death of the body; conditions which make it certain that of the lives that may thus be saved, some are saved for the brothel and the almshouse, and some for the penitentiary. We may go on forever merely raising fresh-air funds, and how great soever be the funds we raise, the need will only grow, and children—just such children as those of whom Christ said, "Take heed that ye despise not one of these little ones; for I say unto you, that in heaven their angels do always behold the face of my Father"—will die like flies, so long as poverty compels fathers and mothers to the life of the squalid tenement room. We may open "midnight missions" and support "Christian homes for destitute young girls," but what will they avail in the face of general conditions which render so many men unable to support a wife; which make young girls think it a privilege to be permitted to earn three dollars by eighty-one hours' work, and which can drive a mother to such despair that she will throw her babies from a wharf of our Christian city and then leap into the river herself! How vainly shall we endeavor to repress crime by our barbarous punishment of the poorer class of criminals as long as children are reared in the brutalizing influences of poverty, so long as the bite of want drives men to crime! How little better than idle is it for us to prohibit infant labor in factories when the scale of wages is so low that it will not enable fathers to support their families without the earnings of their little children! How shall we try to prevent political corruption by framing new checks and setting one official to watch another official, when the fear of want stimulates the lust for wealth, and the rich thief is honored while honest poverty is despised? . . .

An English writer has divided all men into three classes—workers, beggars and thieves. The classification is not complimentary to the "upper classes" and the "better classes," as they are accustomed to esteem themselves, yet it is economically true. There are only three ways by which any individual can get wealth—by work, by gift or by theft. And, clearly, the reason why the workers get so little is that the beggars and thieves get so much. When a man gets wealth that he does not produce, he necessarily gets it at the expense of those who produce it.<sup>4</sup>

4. *Ibid.*, pp. 81-82, 84.

George argued that access to the land would solve the labor problem, eliminate poverty and unemployment, and rectify the extreme inequities in the distribution of income:

The possibility of indefinite expansion in the primary occupations, the ability of every one to make a living by resort to them, would produce elasticity throughout the whole industrial system.

Under such conditions capital could not oppress labor. At present, in any dispute between capital and labor, capital enjoys the enormous advantage of being better able to wait. Capital wastes when not employed; but labor starves. Where, however, labor could always employ itself, the disadvantage in any conflict would be on the side of capital, while that surplus of unemployed labor which enables capital to make such advantageous bargains with labor would not exist. The man who wanted to get others to work for him would not find men crowding for employment, but, finding all labor already employed, would have to offer higher wages, in order to tempt them into his employment, than the men he wanted could make for themselves. The competition would be that of employers to obtain workmen, rather than that of workmen to get employment, and thus the advantages which the accumulation of capital gives in the production of wealth would (save enough to secure the accumulation and employment of capital) go ultimately to labor. In such a state of things, instead of thinking that the man who employed another was doing him a favor, we would rather look upon the man who went to work for another as the obliging party. . . .

But it may be said, as I have often heard it said, "We do not all want land! We cannot all become farmers!"

To this I reply that we *do* all want land, though it may be in different ways and in varying degrees. Without land no human being can live; without land no human occupation can be carried on. Agriculture is not the only use of land. It is only one of many. And just as the uppermost story of the tallest building rests upon land as truly as the lowest, so is the operative as truly a user of land as is the farmer. As all wealth is in the last analysis the resultant of land and labor, so is all production in the last analysis the expenditure of labor upon land.

Nor is it true that we could not all become farmers. That *is* the one thing that we might all become. If all men were merchants, or tailors, or mechanics, all men would soon starve. But there have been, and still exist, societies in which all get their living directly from nature. The occupations that resort directly to nature are the primitive occupations, from which, as society progresses, all others are differentiated. No matter how complex the industrial organization, these must always remain the fundamental occupations, upon which all other occupations rest, just as the upper stories of a building rest upon the foundation.

Now, as ever, "the farmer feedeth all." And necessarily, the condition of labor in these first and widest of occupations, determines the general condition of labor, just as the level of the ocean determines the level of all its arms and bays and seas. Where there is a great demand for labor in agriculture, and wages are high, there must soon be a great demand for labor, and high wages, in all occupations. Where it is difficult to get employment in agriculture, and wages are low, there must soon be a difficulty of obtaining employment, and low wages, in all occupations. Now, what determines the demand for labor and the rate of wages in agriculture is manifestly the ability of labor to employ itself—that is to say, the ease with which land can be obtained. This is the reason that in new countries, where land is easily had, wages, not merely in agriculture, but in all occupations, are higher than in older countries, where land is hard to get. And thus it is that, as the value of land increases, wages fall, and the difficulty in finding employment arises.<sup>5</sup>

### Protection or Free Trade

In 1883, when George was working on *Protection or Free Trade*, he lost his manuscript. When he was preparing to move from a house on Fourteenth Street in Manhattan to another on Hancock Street in Brooklyn, he asked a servant to carry off and destroy an accumulation of waste papers. He inadvertently included his manuscript of about one hundred pages. George completed this book, his third, and had it published in 1886. Tom L. Johnson and others helped distribute this book so that its circulation reached two million copies in less than eight years.

George's subtitle to the book showed the focus of his thinking. It was "An Examination of the Tariff Question, with Especial Regard to the Interests of Labor." He considered the tariff issue as part of larger social questions: the role of government, the question of taxes, and the measures required to promote the well-being of all mankind.

Public policy must be concerned with raising and maintaining wage rates, he argued. The question of wages is important not only to laborers, but to society as a whole, for high wages promote prosperity:

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5. *Ibid.*, pp. 134-137.

I accept as good and praiseworthy the ends avowed by the advocates of protective tariffs. What I propose to inquire is whether protective tariffs are in reality conducive to these ends.<sup>6</sup>

Workingmen, said George, know they are underpaid. In seeking to protect themselves against competition, they favor protective tariffs. Protectionists at least profess concern for workers and proclaim their desire to use the powers of government to raise and maintain wages. Most free traders, in contrast, show no concern for workers; they do not care to see wage rates rise, and they want the government to do nothing in that direction. They proclaim "supply and demand to be the only true and rightful regulator of the price of labor as of the price of pig-iron." They protest against restrictions on the production of wealth, but they ignore the monstrous injustice of its distribution.

George was convinced of an international harmony of interests that could be served best through free trade. He wrote:

Religion and experience alike teach us that the highest good of each is to be sought in the good of others; that the true interests of men are harmonious, not antagonistic; that prosperity is the daughter of good will and peace; and that want and destruction follow enmity and strife. The protective theory, on the other hand, implies the opposition of national interests; that the gain of one people is the loss of others; that each must seek its own good by constant efforts to get advantage over others and to prevent others from getting advantage over it. It makes of nations rivals instead of cooperators; it inculcates a warfare of restrictions and prohibitions and searchings and seizures, which differs in weapons, but not in spirit, from that warfare which sinks ships and burns cities. Can we imagine the nations beating their swords into plowshares and their spears into pruning hooks and yet maintaining hostile tariffs?<sup>7</sup>

All improvements in transportation, all labor-saving inventions and discoveries, are antagonistic to protection. We maintain a tariff for the avowed purpose of keeping out the products of cheap foreign labor; yet machines are being invented that produce goods cheaper than the cheapest foreign labor. China is consistently protectionist by not only

6. Henry George, *Protection or Free Trade* (New York: Robert Schalkenbach Foundation, 1966), p. 5 [Originally published in 1886.]

7. *Ibid.*, p. 31.



prohibiting foreign commerce but also by forbidding the introduction of labor-saving machinery.

Even if tariffs are not protective, they are used frequently for raising revenue. These are indirect taxes. They are expensive to collect, and they give rise to bribery and corruption. But even worse, when such taxation is imposed on articles of general use, it bears much more heavily on the poor than on the rich, says George:

Since such taxation falls on people not according to what they have, but according to what they consume, it is heaviest on those whose consumption is largest in proportion to their means. As much sugar is needed to sweeten a cup of tea for a working-girl as for the richest lady in the land, but the proportion of their means which a tax on sugar compels each to contribute to the government is in the case of the one much greater than in the case of the other. So it is with all taxes that increase the cost of articles of general consumption. They bear far more heavily on married men than on bachelors; on those who have children than on those who have none; on those barely able to support their families than on those whose incomes leave them a large surplus. . . .

Even if cheaper articles were taxed at no higher rates than the more costly, such taxation would be grossly unjust; but in indirect taxation there is always a tendency to impose heavier taxes on the cheaper articles used by all than on the more costly articles used only by the rich. This arises from the necessities of the case. Not only do the larger amounts of articles of common consumption afford a wider base for large revenues than the smaller amounts of more costly articles, but taxes imposed on them cannot be so easily evaded. For instance, while articles in use by the poor as well as the rich are under our tariff taxed fifty and a hundred, and even a hundred and fifty per cent: the tax on diamonds is only ten per cent. . . .

That indirect taxes thus bear far more heavily on the poor than on the rich is undoubtedly one of the reasons why they have so readily been adopted. The rich are ever the powerful, and under all forms of government have most influence in forming public opinion and framing laws, while the poor are ever the voiceless.<sup>8</sup>

Protective tariffs are advocated to encourage home industry. This can be done by protecting established old industries, or by encouraging the establishment of new industries—the infant industry argument. Certainly the protectionists of Europe wish to increase the profits of

8. *Ibid.*, pp. 71-73.

old, established industries. But in the United States the infant industry argument has been used widely to justify tariffs, even as far back as 1791 in Alexander Hamilton's "Report on Manufactures." The objections to this defense of tariffs are: first, we don't know which industries to encourage; second, the strongest industries and their least scrupulous leaders will be most influential and successful in getting government benefits, while the weak will fall farther behind; third, if an industry relies on government protection it will not develop independent strength and initiative.

If the aim of the protectionists is to diminish imports, what is their attitude toward exports? Here is how George answered this question:

The aim of protection is to diminish imports, never to diminish exports. On the contrary, the protectionist habit is to regard exports with favor, and to consider the country which exports most and imports least as doing the most profitable trade. When exports exceed imports there is said to be a favorable balance of trade. When imports exceed exports there is said to be an unfavorable balance of trade. In accordance with this idea all protectionist countries afford every facility for sending things away and fine men for bringing things in.

If the things which we thus try to send away and prevent coming in were pests and vermin—things of which all men want as little as possible—this policy would conform to reason. But the things of which exports and imports consist are not things that nature forces on us against our will, and that we have to struggle to rid ourselves of; but things that nature gives only in return for labor, things for which men make exertions and undergo privations. Him who has or can command much of these things we call rich; him who has little we call poor; and when we say that a country increases in wealth we mean that the amount of these things which it contains increases faster than its population. What, then, is more repugnant to reason than the notion that the way to increase the wealth of a country is to promote the sending of such things away and to prevent the bringing of them in? Could there be a queerer inversion of ideas? Should we not think even a dog had lost his senses that snapped and snarled when given a bone, and wagged his tail when a bone was taken from him?

Lawyers may profit by quarrels, doctors by diseases, rat-catchers by the prevalence of vermin, and so it may be to the interest of some of the individuals of a nation to have as much as possible of the good things which we call "goods" sent away, and as little as possible brought in. But protectionists claim that it is for the benefit of a

community, as a whole, of a nation considered as one man, to make it easy to send goods away and difficult to bring them in.<sup>9</sup>

George also pointed out that exports and imports, so far as they are induced by trade, rise and fall together. To impose any restrictions on one is necessarily to lessen the other. But some exports are induced, not by trade, but by the drain of wealth for which no return is made. For example, France had a surplus of exports to Germany in 1871 because of the tribute she owed after losing the war. The foreign debt fastened upon Egypt by Great Britain in the nineteenth century resulted in her exporting more than she imported. Ireland exported farm produce to pay rent to absentee landlords. These examples show that exporting may be more detrimental than importing.

George understood David Ricardo's law of comparative advantage as providing the basis for free trade. He imagined a situation in which one country is more efficient than another in producing everything. With free trade between them, it would be impossible for the more efficient country to export without importing. The people of the more efficient country would import those products in which their margin of efficiency was smallest; they would export those goods in which their margin of efficiency was greatest. "By this exchange both peoples would gain," George concluded.

After presenting a strong case against tariffs, George emphasized the inadequacy of the free-trade argument. There is a *tendency*, he said, for free trade to increase the production of wealth, thereby *permitting* the increase of wages. But from this it does not follow that free trade would be of any benefit to the working class. The effect of the repeal of tariffs would be similar to that of the inventions and discoveries which increase the production of wealth. In either case, the benefits of increased efficiency go to the owners of the land. In Great Britain free trade after 1846 did not abolish hunger or improve the lot of labor because landlords continued to exact their toll. Along with free trade, we need the single tax on land.

#### "An Open Letter to Pope Leo XIII"

In 1891 Pope Leo XIII issued an Encyclical Letter on the Condition of Labor (*Rerum Novarum*). George thought it was aimed at the single tax. *Ibid.*, pp. 112-113.

tax movement, and some high Church officials in the United States and England gleefully agreed with him on that score. George published a reply in the same year called "The Condition of Labor. An Open Letter to Pope Leo XIII." It was 25,000 words long, more than twice the length of the Pope's Encyclical. It was a well-written document, and George's friends, concerned about his health, took it as evidence that he had recovered completely from his stroke of the year before.

The Encyclical Letter appeared at a time when social questions were being considered by secular rather than Church groups. More and more people were drifting away from the Church. Although *Rerum Novarum* reasserted the right of private property against the encroachments of the state, Pope Leo went on to say that the state is within its rights in seeking to prevent the exploitation of labor. Workers should receive their just reward, and legislation, trade unions and cooperative organizations were all legitimate means to achieve this goal. The Encyclical Letter stimulated the formation of Catholic trade unions and the Catholic social movement. This reduced the tendency of workers to leave the Church, and even ruling circles welcomed this approach as an alternative to Marxist ideology among the disaffected.

Pope Leo warned of the growing conflicts in social relations arising from the growth of industry, the discoveries of science, the rise of great fortunes of individuals and the poverty of the masses, the combinations of working people, and finally a general moral deterioration: "And the danger lies in this, that crafty agitators constantly make use of these disputes to pervert men's judgments and to stir up the people to sedition."<sup>10</sup>

Remedies must be found—quickly—for the misery and wretchedness which press so heavily on the very poor. The poor are being victimized by the rich, and the socialists are taking advantage of the situation by trying to eliminate private property in favor of common property. Such a proposal is unjust and against the interests of the workers themselves. Private ownership, including that of land, is in accordance with nature's law, declared Pope Leo.

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10. Henry George, *The Condition of Labor. An Open Letter to Pope Leo XIII*, with an Appendix. *Encyclical Letter of Pope Leo XIII on the Condition of Labor* (New York: Robert Schalkenbach Foundation, 1965), p. 110. [Originally published in 1891.]

These arguments are so strong and convincing that it seems surprising that certain obsolete opinions should now be revived in opposition to what is here laid down. We are told that it is right for private persons to have the use of the soil and the fruits of their land, but that it is unjust for any one to possess as owner either the land on which he has built or the estate which he has cultivated. But those who assert this do not perceive that they are robbing man of what his own labor has produced. For the soil which is tilled and cultivated with toil and skill utterly changes its condition; it was wild before, it is now fruitful; it was barren, and now it brings forth in abundance. That which has thus altered and improved it becomes so truly part of itself as to be in great measure indistinguishable and inseparable from it. Is it just that the fruit of a man's sweat and labor should be enjoyed by another? As effects follow their cause, so it is just and right that the results of labor should belong to him who has labored.<sup>11</sup>

Pope Leo had denounced the idea of hostility between classes. It is irrational and false to believe that rich and poor are intended by nature to live at war with one another, he wrote:

Each requires the other; capital cannot do without labor, nor labor without capital. Mutual agreement results in pleasantness and good order; perpetual conflict necessarily produces confusion and outrage. Now, in preventing such strife as this, and in making it impossible, the efficacy of Christianity is marvelous and manifold. First of all, there is nothing more powerful than Religion (of which the Church is the interpreter and guardian) in drawing rich and poor together, by reminding each class of its duties to the other, and especially of the duties of justice. Thus Religion teaches the laboring-man and the workman to carry out honestly and well all equitable agreements freely made; never to injure capital, or to outrage the person of an employer; never to employ violence in representing his own cause, or to engage in riot or disorder; and to have nothing to do with men of evil principles, who work upon the people with artful promises, and raise foolish hopes which usually end in disaster and in repentance when too late. Religion teaches the rich man and the employer that their work-people are not their slaves; that they must respect in every man his dignity as a man and as a Christian; that labor is nothing to be ashamed of, if we listen to right reason and to Christian philosophy, but is an honorable employment, enabling a man to sustain his life in an upright and creditable way; and that it is shameful and inhuman to treat men like chattels to make money by, or to look upon them merely as so much

11. *Ibid.*, pp. 114-115.

muscle or physical power. . . . Then, again, the employer must never tax his work-people beyond their strength, nor employ them in work unsuited to their sex or age. His great and principal obligation is to give to every one that which is just. . . .

Were these prospects carefully obeyed and followed, would not strife die out and cease?

But the Church, with Jesus Christ for its Master and Guide, aims higher still. It lays down precepts yet more perfect, and tries to bind class to class in friendliness and good understanding.<sup>12</sup>

Writing at a time when the laissez-faire view was predominant, Leo urged a significant role for government in ameliorating social conditions:

Let us now, therefore, inquire what part the State should play in the work of remedy and relief. . . .

The first duty, therefore, of the rulers of the State should be to make sure that the laws and institutions, the general character and administration of the commonwealth, shall be such as to produce of themselves public well-being and private prosperity. This is the proper office of wise statesmanship and the work of the heads of the State. . . . Here, then, it is in the power of a ruler to benefit every order of the State, and amongst the rest to promote in the highest degree the interests of the poor; and this by virtue of his office, and without being exposed to any suspicion of undue interference—for it is the province of the commonwealth to consult for the common good. And the more that is done for the working population by the general laws of the country, the less need will there be to seek for particular means to relieve them.

There is another and a deeper consideration which must not be lost sight of. To the State the interests of all are equal, whether high or low. The poor are members of the national community equally with the rich; they are real component parts, living parts, which make up, through the family, the living body; and it need hardly be said that they are by far the majority. It would be irrational to neglect one portion of the citizens and to favor another; and therefore the public administration must duly and solicitously provide for the welfare and the comfort of the working-people, or else that law of justice will be violated which ordains that each shall have his due. . . .

[I]t is only by the labor of the working-man that States grow rich. Justice, therefore, demands that the interests of the poorer population be carefully watched over by the Administration, so that they who

<sup>12</sup> *Ibid.*, pp. 120-122.

contribute so largely to the advantage of the community may themselves share in the benefits they create—that being housed, clothed, and enabled to support life, they may find their existence less hard and more endurable. . . .

Whenever the general interest of any particular class suffers, or is threatened with, evils which can in no other way be met, the public authority must step in to meet them. . . .

Rights must be religiously respected wherever they are found; and it is the duty of the public authority to prevent and punish injury, and to protect each one in the possession of his own. Still, when there is question of protecting the rights of individuals, the poor and helpless have a claim to special consideration. The richer population have many ways of protecting themselves, and stand less in need of help from the State; those who are badly off have no resources of their own to fall back upon, and must chiefly rely upon the assistance of the State. And it is for this reason that wage-earners, who are undoubtedly among the weak and necessitous, should be specially cared for and protected by the commonwealth.<sup>13</sup>

Leo criticized excessive hours of work, child labor, and the mistreatment of women by employing them at certain trades for which they were not suited. As a rule workers and employers should arrive freely at wage agreements. But the dictate of nature is that the remuneration must be enough to support the worker in reasonable and frugal comfort. If a worker accepts less than this, he is the victim of force and injustice. If we are to avoid undue interference by the state, then the state should approve of workers' own organizations that protect their interests. These include cooperative organizations and unions, which should be based firmly on religious principles, he declared:

Let our associations, then, look first and before all to God; let religious instruction have therein a foremost place, each one being carefully taught what is his duty to God, what to believe, what to hope for, and how to work out his salvation; and let all be warned and fortified with especial solicitude against wrong opinions and false teaching. . . .

The rights and duties of employers should be the subject of careful consideration as compared with the rights and duties of the employed. If it should happen that either a master or a workman deemed himself injured, nothing would be more desirable than that there should be a

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13. *Ibid.*, pp. 129-134.

committee composed of honest and capable men of the Association itself, whose duty it should be, by the laws of the Association, to decide the dispute. Among the purposes of a Society should be to try to arrange for a continuous supply of work at all times and seasons; and to create a fund from which the members may be helped in their necessities, not only in cases of accident, but also in sickness, old age, and misfortune.<sup>14</sup>

George, in his reply to Pope Leo XIII, stated that the Encyclical Letter condemned his own single tax views which deserved the Church's support. He therefore was presenting his case to the Pope, and he opened his presentation with a defense of the tax on rent on religious grounds: "God has intended the state to obtain the revenues it needs by the taxation of land values." He denied that God is a bungler who is constantly bringing more people into His world than He has made provision for. Poverty amid wealth and seething discontent are the inevitable results of our ignoring God's intent.

George chided Leo for his broad, blanket defense of private property; property based on violence and robbery, said the American, cannot be defended. Property in slaves is an example, and property in land is another. "[Y]ou give us equal rights in heaven, but deny us equal rights on earth! . . . [Y]our Encyclical gives the gospel to the laborers and the earth to the landlords."

In addition to the ethical-religious side of his argument, George presented the economic side, with which we are already familiar.

By implication Leo had condemned the single taxers along with those radicals who opposed private property in all means of production. George disassociated himself and his movement from the socialists:

We differ from the socialists in our diagnosis of the evil and we differ from them as to remedies. We have no fear of capital, regarding it as the natural handmaiden of labor; we look on interest in itself as natural and just; we would set no limit to accumulation, nor impose on the rich any burden that is not equally placed on the poor; we see no evil in competition, but deem unrestricted competition to be as necessary to the health of the industrial and social organism as the free circulation of the blood is to the health of the bodily organism—to be the agency whereby the fullest cooperation is to be secured. We would simply take

14. *Ibid.*, pp. 147-148.



for the community what belongs to the community, the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual; and, treating necessary monopolies as functions of the state, abolish all restrictions and prohibitions save those required for public health, safety, morals and convenience.

But the fundamental difference—the difference I ask your Holiness specially to note, is in this: socialism in all its phases looks on the evils of our civilization as springing from the inadequacy or inharmony of natural relations, which must be artificially organized or improved. In its idea there devolves on the state the necessity of intelligently organizing the industrial relations of men; the construction, as it were, of a great machine whose complicated parts shall properly work together under the direction of human intelligence. This is the reason why socialism tends toward atheism. Failing to see the order and symmetry of natural law, it fails to recognize God.

On the other hand, we who call ourselves single-tax men (a name which expresses merely our practical propositions) see in the social and industrial relations of men not a machine which requires construction, but an organism which needs only to be suffered to grow. We see in the natural social and industrial laws such harmony as we see in the adjustments of the human body, and that as far transcends the power of man's intelligence to order and direct as it is beyond man's intelligence to order and direct the vital movements of his frame. We see in these social and industrial laws so close a relation to the moral law as must spring from the same Authorship, and that proves the moral law to be the sure guide of man where his intelligence would wander and go astray. Thus, to us, all that is needed to remedy the evils of our time is to do justice and give freedom. This is the reason why our beliefs tend toward, nay are indeed the only beliefs consistent with a firm and reverent faith in God, and with the recognition of his law as the supreme law which men must follow if they would secure prosperity and avoid destruction.<sup>15</sup>

A copy of George's letter, printed in Italian and handsomely bound, was presented to Pope Leo XIII, although he never acknowledged its receipt. The Church did modify its opposition to the single tax, and it was believed that George was influential in promoting this change in attitude.

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15. *Ibid.*, pp. 61-62.

## The Science of Political Economy

In 1891 George began writing what he intended to be a short textbook on political economy. This work grew in size and scope, but it remained unfinished when he died in 1897. Except for minor editing by his son, Henry George, Jr., the book was published in the following year as he left it, a work of 528 pages.

In *The Science of Political Economy* George summarized his economic and philosophical views. He criticized other economists, probed the history of economic doctrines, reviewed *Progress and Poverty* and its reception by the public, and presented some autobiographical material. He attempted to cover and integrate the whole field of political economy.

All large political questions, said George in his introduction, are at bottom economic questions. Under present social conditions there is something wrong with the distribution of wealth; but political economy and its professors have been dominated by the wealthy, who wish to, obscure the truth.

What is the origin and genesis of civilizations? One of the most striking differences between man and the lower animals is that man is the unsatisfied animal. A more fundamental difference is that man is endowed with the quality of reason. He has what animals lack—the power of tracing effect to cause, and from cause to reason out the effect. This power of “thinking things out,” the power of tracing causal relations, the power of reason, makes man a superior creature. He is the only producer among all the animals in the true sense of the term. The same quality of reason that results in his being a producer also makes him, whenever exchange becomes possible, an exchanger. Civilization begins with exchange or trade, George said.

The animals do not develop civilization, because they do not trade. . . . We are accustomed to speak of certain peoples as uncivilized, and of certain other peoples as civilized or fully civilized, but in truth such use of terms is merely relative. To find an utterly uncivilized people we must find a people among whom there is no exchange or trade. Such a people does not exist, and, so far as our knowledge goes, never did. To find a fully civilized people we must find a people among whom exchange or trade is absolutely free, and has

reached the fullest development to which human desires can carry it. There is, as yet, unfortunately, no such people.<sup>16</sup>

Science, said, George, literally means knowledge. Science does not include all knowledge, but only knowledge related to the laws of nature. The object of even the social sciences is to discover the laws of nature in which human laws, customs and modes of thought originate.

If political economy is a science—and if not it is hardly worth the while of earnest men to bother themselves with it—it must follow the rules of science, and seek in natural law the causes of the phenomena which it investigates. With human law, except as furnishing illustrations and supplying subjects for its investigation, it has, as I have already said, nothing whatever to do. It is concerned with the permanent, not with the transient; with the laws of nature, not with the laws of man.<sup>17</sup>

George looked into the origins of his own doctrine, some of which he was unaware of when he wrote *Progress and Poverty*. Foremost among the early advocates of a tax on rent was François Quesnay, physician to King Louis XV of France and leader of the French physiocratic school. These men, said George, saw that there is but one source from which men can draw for all their material needs—land; and that there is but one means by which land can be made to produce—labor. All real wealth therefore comes from the application of labor to the land. Quesnay and his followers understood that land produced a surplus or net product after all other expenses of production are met; this is what we call rent. They advocated a single tax, a tax only on economic rent, the unearned increment that comes from land wherever society progresses. The physiocrats erred, however, in thinking that only agriculture is productive. Urban rents, said George, should also be taxed, and not only agricultural rents, in which the physiocrats also included fisheries and mines.

George wrote that he had never heard of the physiocrats until after he published "Our Land and Land Policy" in 1871.

Thomas Spence delivered a lecture before the Philosophical Society of Newcastle, England, in 1775; this was a year before the publication

16. Henry George, *The Science of Political Economy* (New York: Robert Schalkenbach Foundation, 1968), pp. 36-37. [Originally published in 1898.]

17. *Ibid.*, p. 64.

of Adam Smith's *Wealth of Nations*. The Society, said Spence, did him the honor of expelling him because of his lecture. He had declared that all men "have as equal and just a property in land as they have in liberty, air, or the light and heat of the sun." He proposed that the value of land should be taken for all public expenses, and all other taxes should be abolished.

William Ogilvie, Professor of Humanities in King's College, Aberdeen, Scotland, published a book in 1782 in which he declared that land is a birthright which every citizen still retains. He advocated the taxation of land with the abolition of all other taxes.

In 1850 the Scotsman Patrick Edward Dove published a book in which he advocated free trade and the single tax. His book drew no attention either in Great Britain or the United States, and George never heard of it until after the publication of *Progress and Poverty*. In fact George was once accused of plagiarizing from Dove. He would have ignored the charge except that it had been noted extensively in the press and elsewhere. George pointed out that if similarity of thought and priority of authorship on Dove's part proved George a plagiarist, then the same reasoning would prove Dove to have copied from Herbert Spencer, who wrote similarly and earlier; it would likewise prove that Spencer stole from Ogilvie, and Ogilvie from Spence. George said that as he heard of more and more of his predecessors who had the same ideas as he had arrived at independently, that gave additional evidence that they were all on the true track.

George challenged the law of diminishing returns in greater detail than he had in *Progress and Poverty*. This alleged law, he said, is considered to be important because it relates to the law of rent and it seems to give support to the Malthusian doctrine that population tends to outrun subsistence. This law denies the justice of the Creator and assumes that He is constantly doing what any mere human host would be ashamed to do: bringing more guests to the table than can be fed, declared George. He added:

This law of diminishing returns in agriculture it is further explained applies also to mining, and in short to all the primary or extractive industries, which give the character of wealth to what was not before wealth, but not to those secondary or subsequent industries which add an additional increase of wealth to what was already wealth. Thus since

the law of diminishing productiveness in agriculture does not apply to the secondary industries, it is assumed that any increased application of labor (and capital) in manufacturing for instance, would continue to yield a proportionate and more than proportionate return. And as conclusive and axiomatic proof of this law of diminishing productiveness in agriculture, it is said that were it not for this peculiar law, and were it, on the contrary (as it is assumed it would be without it), the fact that additional application of labor would result in a proportionately increased production from the same land, one single farm would suffice to raise all the agricultural produce required to feed the whole population of England, of the United States or any other country, or of course, of the whole world, by mere increase in the application of labor.

This proposition seems to have been generally accepted by professional economists as a valid *reductio ad absurdum*.<sup>18</sup>

This so-called law of diminishing returns, said George, applies to industry as well as agriculture. It derives from the truth that a certain amount of space is required for both agricultural and industrial activities. In any occupation the crowding of more and more labor in a limited space must result first in a proportionate lessening of the product, and finally in an absolute decline. This alleged law of diminishing returns in agriculture is really the special law of material existence. It applies to making bricks as fully as to growing beets, he declared:

A single man engaged in making a thousand bricks would greatly waste labor if he were to diffuse his exertions over a square mile or a square acre, digging and burning the clay for one brick here, and for another some distance apart. His exertion would yield a much larger return if more closely concentrated in space. But there is a point in this concentration in space where the increase of exertion will begin to diminish its proportionate yield. In the same superficial area required for the production of one brick, two bricks may be produced to advantage. But this concentration of labor in space cannot be continued indefinitely without diminishing the return and finally bringing production to a stop. To get the clay for a thousand bricks without use of more surface of the earth than is required to get the clay for one brick, would involve, even if it were possible at all, an enormous loss in the productiveness of the labor. And so if an attempt were made to put

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18. *Ibid.*, p. 337.

a thousand men to work in making brick on an area in which two men might work with advantage, the result would be not merely that the exertion of the thousand men could not produce five hundred times as much as the exertion of two men, but that it would produce nothing at all. Men so crowded would prevent each other from working.<sup>19</sup>

In view of our criticism of George on the law of diminishing returns presented in Chapter 3 above, the following must be said: he was absolutely correct in contending that the principle applies to industry as well as to agriculture. This was not appreciated in his time, and he was ahead of his contemporary orthodox economists in emphasizing this point. But instead of disproving this law, he showed it to be generally applicable in all spheres of production.

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19. *Ibid.*, pp. 360-361.