

To the Editor:

Contrary to the views expressed by Robert Clancy, in answer to my August letter, Henry George made it clear that he believed that rent does absorb all of the benefits of material progress. This being the case, it would be impossible for wages to increase even as a proportion. George goes even further than this and takes the position that wages fall as a quantity, as well as a proportion, where land is fully monopolized. He even claims that material progress is the cause of this fall. On page 9, *Progress and Poverty*, he says and I quote: "Material progress not only fails to relieve poverty but actually produces it."

How, let me ask, could it do this unless its effect is to lower wages as a quantity? That Mr. George believed that wages do fall even as a quantity, with the increase of material progress, is evidenced by his remarks on page 257 of the same book, wherein he referred to wages falling *absolutely*. On page 12 he further states that what is increased with advancing wealth, which if true can only mean that wages must fall as a quantity to produce greater poverty.

Mr. Clancy chides me for relying on statistics to prove my case, and says that I should rely more on intelligent observation. It is true, of course, that statistics are not always reliable. They are seldom 100 per cent correct. On the other hand, the figures put out by the Bureau of the Census and other government fact finding agencies, are quite reliable and are used by business men and economists alike. They do point to definite trends, which no economist will ignore. These figures show that real wages as well as nominal wages have greatly increased over the years; that the standard of living for our workers has continued to rise with the march of material progress, and last but not least, that invention, which is the hub of material progress, *has actually increased the opportunity for employment*. This increase in the number of jobs per thousand of population helps to explain the increase in wages.

As Mr. Clancy prefers not to trust statistics, why doesn't he too put more reliance on intelligent observation in his evaluation of this problem? All he needs to do is to read his history to see how the workers lived a hundred years ago and then observe how they live today. Ordinary every-day observation will convince any unprejudiced mind that they have far more of the material things of life than did their forefathers of a hundred or even fifty years ago. This same observation should also convince him that the workers have a higher standard of living in those countries where material progress has been the greatest. Had it not been for the ravages of recent wars, these living standards

would be even much higher. This being true, then it stands to reason that material progress has gone to raise real wages as well as rent, which is the point I tried to make in my former communication.

In closing I am going to stick my neck out again by challenging Mr. Clancy to prove his contention that the trend of wages has been downward as a proportion, while rents have proportionately increased with the march of material progress. He knows that there is no evidence to warrant such an assumption.

—DON L. THOMPSON  
Spokane, Washington

#### Reply to Don L. Thompson

I would like to ask Mr. Thompson to perform a mental experiment: Let him start out from Spokane, Washington, until he comes to the best free land available. Let him then settle and make his living there. Then I would ask him to imagine he is doing the same thing, say 75 years earlier, and tell us in which period he believes he would find his situation better. I also ask, does the general level of wages depend on the margin of production?

If material progress has brought the blessings that Mr. Thompson counts, why are there perpetual labor union struggles, an increasing clamor for "security," minimum wage laws and the rest, and a heavy reliance on our monstrous armament program, supported by monstrous taxes, to keep the economy going?

In a footnote to "The Problem" of George's *Progress and Poverty*, Henry George says: "It is true that the poorest may now in certain ways enjoy what the richest a century ago could not have commanded, but this does not show improvement of condition so long as the ability to obtain the necessities of life is not increased. The beggar in a great city may enjoy many things from which the backwoods farmer is debarred, but that does not prove the condition of the city beggar better than that of the independent farmer."

—R. C.

[Both participants promise the above is their last word on this subject. Ed.]