

## **Preface to the Fourth Edition**

IN 1871, I FIRST PUBLISHED these ideas in a pamphlet entitled *Our Land and Land Policy*. Over time, I became even more convinced of their truth. Seeing that many misconceptions blocked their recognition, a fuller explanation seemed necessary. Still, it was impossible to answer all the questions as fully as they deserve. I have tried to establish general principles, trusting readers to extend their application.

While this book may be best appreciated by those familiar with economics, no previous study is needed to understand its argument or to judge its conclusions. I have relied upon facts of common knowledge and common observation, which readers can verify for themselves. They can also decide whether the reasoning is valid.

I set out to discover why wages tend to a bare minimum despite increasing productive power. The current theory of wages, I found, is based on a misconception [namely, that wages are paid from capital]. In truth, wages are produced by the labor for which they are paid. Therefore, other things being equal, wages should increase with the number of laborers.

This immediately confronts the influential Malthusian doctrine that population tends to increase faster than subsistence. Examination shows that this theory has no real support. When brought to a decisive test, it is utterly disproved.

Since these theories cannot explain the connection between progress and poverty, the solution must lie in the three laws governing the distribution of wealth. These laws should correlate with each other, yet economists fail to show this. An examination of terminology reveals the confusion of thought that permits this discrepancy.

To work out these laws, I first take up the law of rent. Although economists correctly understand this law, they fail to appreciate its implications. For whatever determines the part of production that goes to landowners must necessarily determine what is left over for labor and capital.

Nonetheless, I independently deduce the law of interest and the law of wages. Investigation shows that interest and wages rise together when rent falls, and fall together when rent rises. Therefore, rent, wages, and interest are all determined by the margin of production, the point in production where rent begins. I also point out a source of much confusion: mistaking the profits of monopoly for the legitimate earnings of capital.

The laws of distribution are thus brought into harmony. The fact that rent always increases with material progress explains why wages and interest do not.

The question is, what causes rent to increase? Population growth not only lowers the margin of production, it also increases productivity. Both factors increase the proportion of income taken by rent, reducing the proportion of wages and interest. Yet, technological and organizational improvements lead to the same results. Even with a constant population, these alone would produce all the effects Malthus attributes to population growth—as long as land is held as private property.

Further, progress inevitably causes a continuous, speculative increase in land values if land is private property.

This drives rent up and wages down. It also produces periodic industrial depressions.

This analysis points to a remedy, although a radical one. But is there any other? Examining other measures advocated to raise wages merely proves our conclusion. Nothing short of making land common property can permanently relieve poverty.

The question of justice naturally arises, so I next examine the nature and basis of property. There is a fundamental and irreconcilable difference between property in the products of labor and property in land. One has a natural basis, the other none. Recognizing property in land inherently denies the right to property produced by labor.

Landowners have no claim to compensation if society chooses to resume its natural rights. Private property in land always has led—and always must lead—to the enslavement of workers as development proceeds. In the United States, we are already beginning to feel the effects of accepting this erroneous and destructive principle.

As a practical matter, private ownership of land is not necessary for its use or improvement. In fact, it entails enormous waste. Recognizing the common right to land does not require any shock or dispossession. It can be reached by the simple and easy method of taxing only land values. The principles of taxation show that this is the best means of raising revenue.

What would be the effects of this proposed change? It would enormously increase production. It would secure justice in distribution. It would benefit all classes. And it would make possible a higher and nobler civilization.

The inquiry now rises to a wider field. My conclusions assert certain laws. If these are really natural laws, they must be apparent in universal history. As a final test,

therefore, I must work out the law of human progress.

Investigation reveals that differences in civilization are not due to differences in individuals or races, but rather to differences in social organization. Progress is always kindled by association. And civilization always declines as inequality develops.

Even now, in modern civilization, the causes that have destroyed all previous civilizations are beginning to appear. Political democracy, without economic opportunity, will devolve into anarchy and despotism.

But the law of social life agrees with the great moral law of justice. This shows how decline may be prevented and a grander advance begun.

If I have correctly solved the great problems I set out to investigate, my conclusions completely change the character of political economy. They give it the coherence and certainty of a true science. And they bring it into sympathy with the aspirations of humanity, from which it has long been estranged.

What I have done in this book is to unite the truth perceived by Smith and Ricardo with the truth perceived by Proudhon and Lassalle.\* I have shown that *laissez faire*—in its full, true meaning—opens the way for us to realize the noble dreams of socialism.

This work was written between August, 1877, and March, 1879. Since its publication, events have shown these views to be correct. The Irish land movement, especially, shows the pressing nature of the problem.

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\* Adam Smith (1723-1790), David Ricardo (1772-1823), Pierre-Joseph Proudhon (1809-1865), and Ferdinand Lassalle (1825-1864). The first two were classical economists; the latter two were socialist reformers.

There has been nothing in the criticisms received to induce me to change or modify these views. In fact, I have yet to see an objection that was not already answered in the book itself. Except for correcting some verbal errors and adding this preface, this edition is the same as the previous ones.\*

*Henry George*  
*New York, November, 1880*  
*Modernized and abridged, 2006*

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\* George subsequently made one modification, regarding patents and copyrights. See page 228.