

Concentrations of Wealth Harm America (1883)

Henry George (1839-1897)

From Henry George, *Social Problems* (New York, 1883).

There is in all the past nothing to compare with the rapid changes now going on in the civilized world. It seems as though in the European race, and in the nineteenth century, man was just beginning to live—just grasping his tools and becoming conscious of his powers. The snails pace of crawling ages has suddenly become the headlong rush of the locomotive, speeding faster and faster. This rapid progress is primarily in industrial methods and material powers. But industrial changes imply social changes and necessitate politic changes. Progressive societies outgrow institutions as children outgrow clothes. Social progress always requires greater intelligence in the management of public affairs; but this the more as progress is rapid and change quicker...



Wealth and Civilization

A civilization which tends to concentrate wealth and power in the hands of a fortunate few, and to make of others mere human machines, must inevitably evolve anarchy and bring destruction. But a civilization is possible in which the poorest could have all the comforts and conveniences now enjoyed by the rich; in which prisons and almshouses would be needless, and charitable societies unthought of. Such a civilization waits only for the social intelligence that will adapt means to ends. Powers that might give plenty to all are already in our hands. Though there is poverty and want, there is, yet, seeming embarrassment from the very excess of wealth-producing forces. "Give us but a market," say manufacturers, "and we will supply goods without end!" "Give us but work!" cry idle men....

The progress of civilization requires that more and more intelligence be devoted to social affairs, and this not the intelligence of the few, but that of the many. We cannot safely leave politics to politicians, or political economy to college professors. The people themselves must think, because the people alone can act.

In a "journal of civilization" a professed teacher declares the saving word for society to be that each shall mind his own business. This is the gospel of selfishness, soothing as soft flutes to those who, having fared well themselves, think everybody should be satisfied. But the salvation of society, the hope for the free, full development of humanity, is in the gospel of brotherhood -- the gospel of Christ. Social progress makes the well-being of all more and more the business of each; it 'binds all closer and closer together in bonds from which none can escape. He who observes the law and the proprieties, and cares for his family, yet takes no interest in the general weal, and gives no thought to those who are trodden under foot, save now and then to bestow alms, is not a true Christian. Nor is he a good citizen. The duty of the citizen is more and harder than this. . . .

There is a suggestive fact that must impress any one who thinks over the history of past eras and preceding civilizations. The great, wealthy and powerful nations have always lost their freedom; it is only in small, poor and isolated communities that Liberty has been maintained. So true is

this that the poets have always sung that Liberty loves the rocks and tile mountains; that she shrinks from wealth and power and splendor, from the crowded city and the busy mart....

The mere growth of society involves danger of the gradual conversion of government into something independent of and beyond the people, and the gradual seizure of its powers by a ruling class -- though not necessarily a class marked off by personal titles and a hereditary status, for, as history shows, personal titles and hereditary status do not accompany the concentration of power, but follow it. The same methods which, in a little town where each knows his neighbor and matters of common interest are under the common eye, enable the citizens freely to govern themselves, may, in a great city, as we have in many cases seen, enable an organized ring of plunderers to gain and hold the government. So, too, as we see in Congress, and even in our State legislatures, the growth of the country and the greater number of interests make the proportion of the votes of a representative, of which his constituents know or care to know, less and less. And so, too, the executive and judicial departments tend constantly to pass beyond the scrutiny of the people.

But to the changes produced by growth are, with us, added the changes brought about by improved industrial methods. The tendency of steam and of machinery is to the division of labor, to the concentration of wealth and power. Workmen are becoming massed by hundreds and thousands in the employ of single individuals and firms; small storekeepers and merchants are becoming the clerks and salesmen of great business houses; we have already corporations whose revenues and pay rolls belittle those of the greatest States. And with this concentration grows the facility of combination among these great business interests. How readily the railroad companies, the coal operators, the steel producers, even the match manufacturers, combine, either to regulate prices or to use the powers of government! The tendency in all branches of industry is to the formation of rings against which the individual is helpless, and which exert their power upon government whenever their interests may thus be served.

It is not merely positively, but negatively, that great aggregations of wealth, whether individual or corporate, tend to corrupt government and take it out of the control of the masses of the people. "Nothing is more timorous than a million dollars -- except two million dollars." Great wealth always supports the party in power, no matter how corrupt it may be. It never exerts itself for reform, for it instinctively fears change. It never struggles against misgovernment. When threatened by the holders of political power it does not agitate, nor appeal to the people; it buys them off. It is in this way, no less than by its direct interference, that aggregated wealth corrupts government, and helps to make politics a trade. Our organized lobbies, both legislative and Congressional, rely as much upon the fears as upon the hopes of moneyed interests. When "business" is dull, their resource is to get up a bill which some moneyed interest will pay them to beat. So, too, these large moneyed interests will subscribe to political funds, on the principle of keeping on the right side of those in power, just as the railroad companies deadhead [transport for free] President [Chester A.] Arthur when he goes to Florida to fish.

◇ The more corrupt a government the easier wealth can use it. Where legislation is to be bought, the rich make the laws; where justice is to be purchased, the rich have the ear of the courts. And if, for this reason, great wealth does not absolutely prefer corrupt government to pure government, it becomes none the less a corrupting influence. A community composed of very

rich and very poor falls an easy prey to whoever can seize power. The very poor have not spirit and intelligence enough to resist; the very rich have too much at stake.

Developments in America

The rise in the United States of monstrous fortunes, the aggregation of enormous wealth in the hands of corporations, necessarily implies, the loss by the people of governmental control. Democratic forms may be maintained, but there can be as much tyranny and misgovernment under democratic forms as any other -- in fact, they lend themselves most readily to tyranny and misgovernment. Forms count for little. The Romans expelled their kings, and continued to abhor the very name of king. But under the name of Caesars and Imperators, that at first meant no more than our "Boss," they crouched before tyrants more absolute than kings. We have already, under the popular name of "bosses," developed political Caesars in municipalities and states. If this development continues, in time there will come a national boss. We are young; but we are growing. The day may arrive when the "Boss of America" will be to the modern world what Caesar was to the Roman world. This, at least, is certain: Democratic government in more than name can exist only where wealth is distributed with something like equality--where the great mass of citizens are personally free and independent, neither fettered by their poverty nor made subject by their wealth. There is, after all, some sense in a property qualification. The man who is dependent on a master for his living is not a free man. To give the suffrage to slaves is only to give votes to their owners. That universal suffrage may add to, instead of decreasing, the political power of wealth we see when mill-owners and mine operators vote their hands. The freedom to earn, without fear or favor, a comfortable living, ought to go with the freedom to vote. Thus alone can a sound basis for republican institutions be secured. How can a man be said to have a country where he has no right to a square inch of soil; where he has nothing but his hands, and, urged by starvation, must bid against his fellows for the privilege of using them? When it comes to voting tramps, some principle has been carried to a ridiculous and dangerous extreme. I have known elections to be decided by the carting of paupers from the almshouse to the polls. But such decisions can scarcely be in the interest of good government.

Beneath all political problems lies the social problem of the distribution of wealth. This our people do not generally recognize, and they listen to quacks who propose to cure the symptoms without touching the disease. "Let us elect good men to office," say the quacks. Yes; let us catch little birds by sprinkling salt on their tails!

It behooves us to look facts in the face. The experiment of popular government in the United States is clearly a failure. Not that it is a failure everywhere and in everything. An experiment of this kind does not have to be fully worked out to be proved a failure. But speaking generally of the whole country, from the Atlantic to the Pacific, and from the Lakes to the Gulf, our government by the people has in large degree become, is in larger degree becoming, government by the strong and unscrupulous.



People Losing Power

The people, of course, continue to vote; but the people are losing their power. Money and organization tell more and more in elections. In some sections bribery has become chronic, and numbers of voters expect regularly to sell their votes. In some sections large employers regularly bulldoze their hands into voting as they wish. In municipal, State and Federal politics the power of the "machine" is increasing. In many places it has become so strong that the ordinary citizen has no more influence in the government under which he lives than he would have in China. He is, in reality, not one of the governing classes, but one of the governed. He occasionally, in disgust, votes for "the other man," or "the other party;" but, generally, to find that he has effected only a change of masters, or secured the same masters under different names. And he is beginning to accept the situation, and to leave politics to politicians, as something with which an honest, self-respecting man cannot afford meddle....

As for the great railroad managers, they may well say, "The people be d-d!" When they want the power of the people they buy the people's masters. The map of the United States is colored to show States and Territories. A map of real political powers would ignore State lines. Here would be a big patch representing the domains of Vanderbilt; there Jay Gould's dominions would be brightly marked. In another place would be set off the empire of Stanford and Huntington; in another the newer empire of Henry Villard. The States and parts of States that own the sway of the Pennsylvania Central would be distinguished from those ruled by the Baltimore and Ohio; and so on. In our National Senate, sovereign members of the Union are supposed to be represented; but what are more truly represented are railroad longs and great moneyed interests, though occasionally a mine jobber from Nevada or Colorado, not inimical to the ruling powers, is suffered to buy himself a seat for glory. And the Bench as well as the Senate is being filled with corporation henchmen. A railroad king makes his attorney a judge of last resort, as the great lord used to make his chaplain a bishop....

The people are largely conscious of all this, and there is among the masses much dissatisfaction. But there is a lack of that intelligent interest necessary to adapt political organization to changing conditions. The popular idea of reform seems to be merely a change of men or a change of parties, not a change of system. Political children, we attribute to bad men or wicked parties what really springs from deep general causes...



Can Anyone Be Rich? ◇

The comfortable theory that it is in the nature of things that some should be poor and some should be rich, and that the gross and constantly increasing inequalities in the distribution of wealth imply no fault in our institutions, pervades our literature, and is taught in the press, in the church, in school and in college.

This is a free country, we are told -- every man has a vote and every man has a chance. The laborer's son may become President; poor boys of to-day will be millionaires thirty or forty years from now, and the millionaire's grandchildren will probably be poor. What more can be asked? If a man has energy, industry, prudence and foresight, he may win his way to great wealth. If he has not the ability to do this he must not complain of those who have. If some enjoy much and do little, it is because they, or their parents, possessed superior qualities which enabled, them to

"acquire property" or "make money." If others must work hard and get little, it is because they have not yet got their start, because they are ignorant, shiftless, unwilling to practise that economy necessary for the first accumulation of capital; or because their fathers were wanting in these respects. The inequalities in condition result from the inequalities of human nature, from the difference in the powers and capacities of different men. If one has to toil ten or twelve hours a day for a few hundred dollars a year, while another, doing little or no hard work, gets an income of many thousands, it is because all that the former contributes to the augmentation of the common stock of wealth is little more than the mere force of his muscles. He can expect little more than the animal, because he brings into play little more than animal powers. He is but a private in the ranks of the great army of industry, who has but to stand still or march, as he is bid. The other is the organizer, the general, who guides and wields the whole great machine, who must think, plan and provide; and his larger income is only commensurate with the far higher and rarer powers which he exercises, and the far greater importance of the function he fulfils. Shall not education have its reward, and skill its payment? What incentive would there be to the toil needed to learn to do anything well were great prizes not to be gained by those who learn to excel? It would not merely be gross injustice to refuse a Raphael or a Rubens more than a housepainter, but it would prevent the development of great painters. To destroy inequalities in condition would be to destroy the incentive to progress. To quarrel with them is to quarrel with the laws of nature. We might as well rail against the length of the days or the phases of the moon; complain that there are valleys and mountains; zones of tropical heat and regions of eternal ice. And were we by violent measures to divide wealth equally, we should accomplish nothing but harm; in a little while there would be inequalities as great as before.

This, in substance, is the teaching which we constantly hear. It is accepted by some because it is flattering to their vanity, in accordance with their interests or pleasing to their hope; by others, because it is dinned into their ears. Like all false theories that obtain wide acceptance, it contains much truth. But it is truth isolated from other truth or alloyed with falsehood.

To try to pump out a ship with a hole in her hull would be hopeless; but that is not to say that leaks may not be stopped and ships pumped dry. It is undeniable that, under present conditions, inequalities in fortune would tend to reassert themselves even if arbitrarily leveled for a moment; but that does not prove that the conditions from which this, tendency to, inequality springs may not be altered. Nor because there are differences in human qualities and powers does it follow that existing inequalities of fortune are thus accounted for. I have seen very fast compositors and very slow compositors, but the fastest I ever saw could not set twice as much type as the slowest, and I doubt if in other trades the variations are greater. Between normal men the difference of a sixth or seventh is a great difference in height -- the tallest giant ever known was scarcely more than four times as tall as the smallest dwarf ever known, and I doubt if any good observer will say that the mental differences of men are greater than the physical differences. Yet we already have men hundreds of millions of times richer than other men.

That he who produces should have, that he who saves should enjoy, is consistent with human reason and with the natural order. But existing inequalities of wealth cannot be justified on this ground. As a matter of fact, how many great fortunes can be truthfully said to have been fairly earned? How many of them represent wealth produced by their possessors or those from whom their present possessors derived them? Did there not go to the formation of all of them something

more than superior industry and skill? Such qualities may give the first start, but when fortunes begin to roll up into millions there will always be found some element of monopoly, some appropriation of wealth produced by others. Often there is a total absence of superior industry, skill or self-denial, and merely better luck or greater unscrupulousness.

Sources of Great Wealth

An acquaintance of mine died in San Francisco recently, leaving \$4,000,000, which will go to heirs to be looked up in England. I have known many men more industrious, more skilful, more temperate than he -- men who did not or who will not leave a cent. This man did not get his wealth by his industry, skill or temperance. He no more produced it than did those lucky relations in England who may now do nothing for the rest of their lives. He became rich by getting hold of a piece of land in the early days, which, as San Francisco grew, became very valuable. His wealth represented not what he had earned, but what the monopoly of this bit of the earth's surface enabled him to appropriate of the earnings of others.

A man died in Pittsburgh, the other day, leaving \$3,000,000. He may or may not have been particularly industrious, skilful and economical, but it was not by virtue of these qualities that he got so rich. It was because he went to Washington and helped lobby through a bill which, by way of "protecting American workmen against the pauper labor of Europe," gave him the advantage of a sixty-per-cent, tariff. To the day of his death he was a staunch protectionist, and said free trade would ruin our "infant industries." Evidently the \$3,000,000 which he was enabled to lay by from his own little cherub of an "infant industry" did not represent what he had added to production. It was the advantage given him by the tariff that enabled him to scoop it up from other people's earnings.

"Beneath all political problems lies the social problem of the distribution of wealth."

This element of monopoly, of appropriation and spoliation will, when we come to analyze them, be found largely to account for all great fortunes....

Take the great Vanderbilt fortune. The first Vanderbilt was a boatman who earned money by hard work and saved it. But it was not working and saving that enabled him to leave such an enormous fortune. It was spoliation and monopoly. As soon as he got money enough he used it as a club to extort from others their earnings. He ran off opposition lines and monopolized routes of steamboat travel. Then he went into railroads, pursuing the same tactics. The Vanderbilt fortune no more comes from working and saving than did the fortune that Captain Kidd buried.

Or take the great Gould fortune. Mr. Gould might have got his first little start by superior industry and superior self-denial. But it is not that which has made him the master of a hundred millions. It was by wrecking railroads, buying judges, corrupting legislatures, getting up rings and pools and combinations to raise or depress stock values and transportation rates.

So, like wise, of the great fortunes which the Pacific railroads have created. They have been made by lobbying through profligate donations of lands, bonds and subsidies, by the operations of Credit Mobilier and Contract and Finance Companies, by monopolizing and gouging. And so

of fortunes made by such combinations as the Standard Oil Company, the Bessemer Steel Ring, the Whisky Tax Ring, the Lucifer Match Ring, and the various rings for the "protection of the American workman from the pauper labor of Europe."

Or take the fortunes made out of successful patents. Like that element in so many fortunes that comes from the increased value of land, these result from monopoly, pure and simple. And though I am not now discussing the expediency of patent laws, it may be observed, in passing, that in the vast majority of cases the men who make fortunes out of patents are not the men who make the inventions.

Through all great fortunes, and, in fact, through nearly all acquisitions that in these days can fairly be termed fortunes, these elements of monopoly, of spoliation, of gambling run. The head of one of the largest manufacturing firms in the United States said to me recently, "It is not on our ordinary business that we make our money; it is where we can get a monopoly." And this, I think, is generally true.

The Evils of Monopolists

Consider the important part in building up fortunes which the increase of land values has had, and is having, in the United States. This is, of course, monopoly, pure and simple. When land increases in value it does not mean that its owner has added to the general wealth. The owner may never have seen the land or done aught to improve it. He may, and often does, live in a distant city or in another country. Increase of land values simply means that the owners, by virtue of their appropriation of something that existed before man was, have the power of taking a larger share of the wealth produced by other people's labor. Consider how much the monopolies created and the advantages given to the unscrupulous by the tariff and by our system of internal taxation -- how much the railroad (a business in its nature a monopoly), telegraph, gas, water and other similar monopolies, have done to concentrate wealth; how special rates, pools, combinations, corners, stock-watering and stock-gambling, the destructive use of wealth in driving off or buying off opposition which the public must finally pay for, and many other things which these will suggest, have operated to build up large fortunes, and it will at least appear that the unequal distribution of wealth is due in great measure to sheer spoliation; that the reason why those who work hard get so little, while so many who work little get so much, is, in very large measure, that the earnings of the one class are, in one way or another, filched away from them to swell the incomes of the other.

That individuals are constantly making their way from the ranks of those who get less than their earnings to the ranks of those who get more than their earnings, no more proves this state of things right than the fact that merchant sailors were constantly becoming pirates and participating in the profits of piracy, would prove that piracy was right and that no effort should be made to suppress it.

I am not denouncing the rich, nor seeking, by speaking of these things, to excite envy and hatred; but if we would get a clear understanding of social problems, we must recognize the fact that it is due to monopolies which we permit and create, to advantages which we give one man over another, to methods of extortion sanctioned by law and by public opinion, that some men are

enabled to get so enormously rich while others remain so miserably poor. If we look around us and note the elements of monopoly, extortion and spoliation which go to the building up of all, or nearly all, fortunes, we see on the one hand now disingenuous are those who preach to us that there is nothing wrong in social relations and that the inequalities in the distribution of wealth spring from the inequalities of human nature; and on the other hand, we see how wild are those who talk as though capital were a public enemy, and propose plans for arbitrarily restricting the acquisition of wealth. Capital is a good; the capitalist is a helper, if he is not also a monopolist. We can safely let any one get as rich as he can if he will not despoil others in doing so.

There are deep wrongs in the present constitution of society, but they are not wrongs inherent in the constitution of man nor in those social laws which are as truly the laws of the Creator as are the laws of the physical universe. They are wrongs resulting from bad adjustments which it is within our power to amend. The ideal social state is not that in which each gets an equal amount of wealth, but in which each gets in proportion to his contribution to the general stock. And in such a social state there would not be less incentive to exertion than now; there would be far more incentive. Men will be more industrious and more moral, better workmen and better citizens, if each takes his earnings and carries them home to his family, than where they put their earnings in a "pot" and gamble for them until some have far more than they could have earned, and others have little or nothing.