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# The First Great Reform

by Henry George, *Social Problems*, Ch19, 1883

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Do what we may, we can accomplish nothing real and lasting until we secure to all the first of those equal and unalienable rights with which, as our Declaration of Independence has it, man is endowed by his Creator -- the equal and unalienable right to the use and benefit of natural opportunities.

There are people who are always trying to find some mean between right and wrong -- people who, if they were to see a man about to be unjustly beheaded, might insist that the proper thing to do would be to chop off his feet. These are the people who, beginning to recognize the importance of the land question, propose in Ireland and England such measures as judicial valuations of rents and peasant proprietary, and in the United States, the reservation to actual settlers of what is left of the public lands, and the limitation of estates.

Nothing whatever can be accomplished by such timid, illogical measures. If we would cure social disease we must go to the root.

There is no use in talking of reserving what there may be left of our public domain to actual settlers. That would be merely a locking of the stable door after the horse had been stolen, and even if it were not, would avail nothing.

There is no use in talking about restricting the amount of land any one man may hold. That, even if it were practicable, were idle, and would not meet the difficulty. The ownership of an acre in a city may give more command of the labor of others than the ownership of a hundred thousand acres in a sparsely settled district, and it is utterly impossible by any legal device to prevent the concentration of property so long as the general causes which irresistibly tend to the concentration of property remain untouched. So long as the wages tend to the point of a bare living for the laborer we cannot stop the tendency of property of all kinds to concentration, and this must be the tendency of wages until equal rights in the soil of their country are secured to all. We can no more abolish industrial slavery by limiting the size of estates than we could abolish chattel slavery by putting a limit on the number of slaves a single slaveholder might own. In the one case as in the other, so far as such restrictions could be made operative they would only increase the difficulties of abolition by enlarging the class who would resist it.

There is no escape from it. If we would save the Republic before social inequality and political demoralization have reached the point when no

salvation is possible, we must assert the principle of the Declaration of Independence, acknowledge the equal and unalienable rights which inhere in man by endowment of the Creator, and make land common property.

If there seems anything strange in the idea that all men have equal and unalienable rights to the use of the earth, it is merely that habit can blind us to the most obvious truths. Slavery, polygamy, cannibalism, the flattening of children's heads, or the squeezing of their feet, seem perfectly natural to those brought up where such institutions or customs exist. But, as a matter of fact, nothing is more repugnant to the natural perceptions of men than that land should be treated as subject to individual ownership, like things produced by labor. It is only among an insignificant fraction of the people who have lived on the earth that the idea that the earth itself could be made private property has ever obtained; nor has it ever obtained save as the result of a long course of usurpation, tyranny and fraud. This idea reached development among the Romans, whom it corrupted and destroyed. It took many generations for it to make its way among our ancestors; and it did not, in fact, reach full recognition until two centuries ago, when, in the time of Charles II., the feudal dues were shaken off by a landholders' parliament. We accepted it as we have accepted the aristocratic organization of our army and navy, and many other things, in which we have servilely followed European custom. Land being plenty and population sparse, we did not realize what it would mean when in two or three cities we should have the population of the thirteen colonies. But it is time that we should begin to think of it now, when we see ourselves confronted, in spite of our free political institutions, with all the problems that menace Europe -- when, though our virgin soil is not yet quite fenced in, we have a "working-class," a "criminal class", and a "pauper class;" when there are already thousands of so-called free citizens of the Republic who cannot by the hardest toil make a living for their families, and when we are, on the other hand, developing such monstrous fortunes as the world has not seen since great estates were eating out the heart of Rome.

What more preposterous than the treatment of land as individual property? In every essential land differs from those things which being the

product of human labor are rightfully property. It is the creation of God; they are produced by man. It is fixed in quantity; they may be increased illimitably. It exists, though generations come and go; they in a little while decay and pass again into the elements. What more preposterous than that one tenant for a day of this rolling sphere should collect rent for it from his co-tenants, or sell to them for a price what was here ages before him and will be here ages after him?

*What more preposterous than that we, living in New York city in this year, 1883, should be working for a lot of landlords who get the authority to live on our labor from some English king, dead and gone these centuries?*

What more preposterous than that we, the present population of the United States, should presume to grant to our own people or to foreign capitalists the right to strip of their earnings American citizens of the next generation? What more utterly preposterous than these titles to land? Although the whole people of the earth in one generation were to unite, they could no more sell title to land against the next generation than they could sell that generation. It is a self-evident truth, as Thomas Jefferson said, that the earth belongs in usufruct to the living.

Nor can any defense of private property in land be made on the ground of expediency. On the contrary, look where you will, and it is evident that the private ownership of land keeps land out of use; that the speculation it engenders crowds population where it ought to be more diffused, diffuses it where it ought to be closer together; compels those who wish to improve to pay away a large part of their capital, or mortgage their labor for years before they are permitted to improve; prevents men from going to work for themselves who would gladly do so, crowding them into deadly competition with each other for the wages of employers; and enormously restricts the production of wealth while causing the grossest inequality in its distribution.

No assumption can be more gratuitous than that constantly made that absolute ownership of land is necessary to the improvement and proper use of land. What is necessary to the best use of land is the security of improvements -- the assurance

that the labor and capital expended upon it shall enjoy their reward. This is a very different thing from the absolute ownership of land. Some of the finest buildings in New York are erected upon leased ground. Nearly the whole of London and other English cities, and great parts of Philadelphia and Baltimore, are so built. All sorts of mines are opened and operated on leases. In California and Nevada the most costly mining operations, involving the expenditure of immense amounts of capital, were undertaken upon no better security than the mining regulations, which gave no ownership of the land, but only guaranteed possession as long as the mines were worked.

If shafts can be sunk and tunnels can be run, and the most costly machinery can be put up on public land on mere security of possession, why could not improvements of all kinds be made on that security? If individuals will use and improve land belonging to other individuals, why would they not use and improve land belonging to the whole people? What is to prevent land owned by Trinity Church, by the Sailors' Snug Harbor, by the Astors or Rhinelanders, or any other corporate or individual owners, from being as well improved and used as now, if the ground-rents, instead of going to corporations or individuals, went into the public treasury?

In point of fact, if land were treated as the common property of the whole people, it would be far more readily improved than now, for then the improver would get the whole benefit of his improvements. Under the present system, the price that must be paid for land operates as a powerful deterrent to improvement. And when the improver has secured land either by purchase or by lease, he is taxed upon his improvements, and heavily taxed in various ways upon all that he uses. Were land treated as the property of the whole people, the ground-rent accruing to the community would suffice for public purposes, and all other taxation might be dispensed with. The improver could more easily get land to improve, and would retain for himself the full benefit of his improvements exempt from taxation.

To secure to all citizens their equal right to the land on which they live, does not mean, as some of the ignorant seem to suppose, that every one must be given a farm, and city land be cut up into little pieces. It would be impossible to secure

the equal rights of all in that way, even if such division were not in itself impossible. In a small and primitive community of simple industries and habits, such as that Moses legislated for, substantial equality may be secured by allotting to each family an equal share of the land and making it unalienable. Or, as among our rude ancestors in western Europe, or in such primitive society as the village communities of Russia and India, substantial equality may be secured by periodical allotment or cultivation in common. Or in sparse populations, such as the early New England colonies, substantial equality may be secured by giving to each family its town-lot and its seed-lot, holding the rest of the land as town land or common. But among a highly civilized and rapidly growing population, with changing centers, with great cities and minute division of industry, and a complex system of production and exchange, such rude devices become ineffective and impossible.

*Must we therefore consent to inequality -- must we therefore consent that some shall monopolize what is the common heritage of all?*

Not at all. If two men find a diamond, they do not march to a lapidary to have it cut in two. If three sons inherit a ship, they do not proceed to saw her into three pieces; nor yet do they agree that if this cannot be done equal division is impossible. Nor yet is there no other way to secure the rights of the owners of a railroad than by breaking up track, engines, cars and depots into as many separate bits as there are stockholders. And so it is not necessary, in order to secure equal rights to land, to make an equal division of land. All that it is necessary to do is to collect the ground-rents for the common benefit.

Nor, to take ground-rents for the common benefit, is it necessary that the state should actually take possession of the land and rent it out from year to year, or from term to term, as some ignorant people suppose. It can be done in a much more simple and easy manner by means of the existing machinery of taxation. All it is necessary to do is to abolish all other forms of taxation until the weight of taxation rests upon the value of land irrespective of improvements, and take the ground-rent for the public benefit.



In this simple way, without increasing governmental machinery, but, on the contrary, greatly simplifying it, we could make land common property. And in doing this we could abolish all other taxation, and still have a great and steadily increasing surplus -- a growing common fund, in the benefits of which all might share, and in the management of which there would be such a direct and general interest as to afford the strongest guaranties against misappropriation or waste. Under this system no one could afford to hold land he was not using, and land not in use would be thrown open to those who wished to use it, at once relieving the labor market and giving an enormous stimulus to production and improvement, while land in use would be paid for according to its value, irrespective of the improvements the user might make. On these he would not be taxed. All that his labor could add to the common wealth, all that his prudence could save, would be his own, instead of, as now, subjecting him to fine. Thus would the sacred right of property be acknowledged by securing to each the reward of his exertion.

Practically, then, the greatest, the most fundamental of all reforms, the reform which will make all other reforms easier, and without which no other reform will avail, is to be reached by concentrating all taxation into a tax upon the value of land, and making that heavy enough to take as near as may be the whole ground-rent for common purposes.

To those who have never studied the subject, it will seem ridiculous to propose as the greatest and most far-reaching of all reforms a mere fiscal change. But whoever has followed the train of thought through which in preceding chapters I have endeavored to lead, will see that in this simple proposition is involved the greatest of social revolutions -- a revolution compared with which that which destroyed ancient monarchy in France, or that which destroyed chattel slavery in our Southern States, were as nothing.

In a book such as this, intended for the casual reader, who lacks inclination to follow the close reasoning necessary to show the full relation of this seemingly simple reform to economic laws, I cannot exhibit its full force, but I may point to some of the more obvious of its effects.

To appropriate ground-rent to public uses by means of taxation would permit the abolition of all the taxation which now presses so heavily upon labor and capital. This would enormously increase the production of wealth by the removal of restrictions and by adding to the incentives to production.

It would at the same time enormously increase the production of wealth by throwing open natural opportunities. It would utterly destroy land monopoly by making the holding of land unprofitable to any but the user. There would be no temptation to any one to hold land in expectation of future increase in its value when that increase was certain to be demanded in taxes.

*No one could afford to hold valuable land idle when the taxes upon it would be as heavy as they would be were it put to the fullest use.*

Thus speculation in land would be utterly destroyed, and land not in use would become free to those who wished to use it.

The enormous increase in production which would result from thus throwing open the natural means and opportunities of production, while at the same time removing the taxation which now hampers, restricts and fines production, would enormously augment the annual fund from which all incomes are drawn. It would at the same time make the distribution of wealth much more equal. That great part of this fund which is now taken by the owners of land, not as a return for anything by which they add to production, but because they have appropriated as their own the natural means and opportunities of production, and which as material progress goes on, and the value of land rises, is constantly becoming larger and larger, would be virtually divided among all, by being utilized for common purposes.

The removal of restrictions upon labor, and the opening of natural opportunities to labor, would make labor free to employ itself. Labor, the producer of all wealth, could never become "a drug in the market" while desire for any form of wealth was unsatisfied. With the natural opportunities of employment thrown open to all, the spectacle of willing men seeking vainly for employment could not be witnessed; there could be no surplus of unemployed labor to beget that cutthroat competition of laborers for employment which crowds wages down to the cost of merely living. Instead of the one-sided competition of workmen to find employment, employers would compete with each other to obtain workmen. There would be no need of combinations to raise or maintain wages; for wages, instead of tending to the lowest point at which laborers can live, would tend to the highest point which employers could pay, and thus, instead of getting but a mere fraction of his earnings, the workman would get the full return of his labor, leaving to the skill, foresight and capital of the employer those additional earnings that are justly their due.

The equalization in the distribution of wealth that would thus result would effect immense economies and greatly add to productive power. The cost of the idleness, pauperism and crime that spring from poverty would be saved to the community; the increased mobility of labor, the increased intelligence of the masses, that would result from this equalized distribution of wealth, the greater incentive to invention and to the use of improved processes that would result



from the increase in wages, would enormously increase production.

To abolish all taxes save a tax upon the value of land would at the same time greatly simplify the machinery and expenses of government, and greatly reduce government expenses. An army of Custom-House officers, and internal revenue officials, and license collectors and assessors, clerks, accountants, spies, detectives, and government employees of every description, could be dispensed with. The corrupting effect of indirect taxation would be taken out of our politics. The rings and combinations now interested in keeping up taxation would cease to contribute money for the debauching of voters and to beset the law-making power with their lobbyists. We should get rid of the fraud and false swearing, of the bribery and subornation which now attend the collection of so much of our public revenues. We should get rid of the demoralization that proceeds from laws which prohibit actions in themselves harmless, punish men for crimes which the moral sense does not condemn, and offer a constant premium to evasion.

*"Land lies out of doors." It cannot be hid or carried off. Its value can be ascertained with greater ease and exactness than the value of anything else, and taxes upon that value can be collected with absolute certainty and at the minimum of expense.*

To rely upon land values for the whole public revenue would so simplify government, would so eliminate incentives to corruption, that we could safely assume as governmental functions the management of telegraphs and railroads, and safely apply the increasing surplus to securing such common benefits and providing such public conveniences as advancing civilization may call for.

And in thinking of what is possible in the way of the management of common concerns for the common benefit, not only is the great simplification of government which would result from the reform I have suggested to be considered, but the higher moral tone that would be given to social life by the equalization of conditions and the abolition of poverty. The greed of wealth, which makes it a business motto that every man is to be treated as though he were a rascal, and induces despair of getting in places of public trust men who will not abuse them for selfish ends, is but the reflection of the fear of want. Men trample over each other from the frantic dread of being trampled upon, and the admiration with which even the unscrupulous money-getter is regarded springs from habits of thought engendered by the fierce struggle for existence to which the most of us are obliged to give up our best energies. But when no one feared want, when every one felt assured of his ability to make an easy and independent living for himself and his family, that popular admiration which now spurs even the rich man still to add to his wealth would be given to other things than the getting of money. We should learn to regard the man who strove to get more than he could use, as a fool -- as indeed he is.

He must have eyes only for the mean and vile, who has mixed with men without realizing that selfishness and greed and vice and crime are largely the result of social conditions which bring out the bad qualities of human nature and stunt the good; without realizing that there is even now among men patriotism and virtue enough to secure us the best possible management of public affairs if our social and political adjust-

ments enabled us to utilize those qualities. Who has not known poor men who might safely be trusted with untold millions? Who has not met with rich men who retained the most ardent sympathy with their fellows, the warmest devotion to all that would benefit their kind? Look to-day at our charities, hopeless of permanent good though they may be! They at least show the existence of unselfish sympathies, capable, if rightly directed, of the largest results.

It is no mere fiscal reform that I propose; it is a conforming of the most important social adjustments to natural laws. To those who have never even thought to the matter, it may seem irreverently presumptuous to say that it is the evident intent of the Creator that land values should be the subject of taxation; that rent should be utilized for the benefit of the entire community. Yet to whoever does think of it, to say this will appear no more presumptuous than to say that the Creator has intended men to walk on their feet, and not on their hands. Man in his social relations is as much included in the creative scheme as man in his physical relations. Just as certainly as the fish was intended to swim in the water, and the bird to fly through the air, and monkeys to live in trees, and moles to burrow underground, was man intended to live with his fellows. He is by nature a social animal. And the creative scheme must embrace the life and development of society, as truly as it embraces the life and development of the individual. Our civilization cannot carry us beyond the domain of law. Railroads, telegraphs and labor-saving machinery are no more accidents than are flowers and trees.

*Man is driven by his instincts and needs to form society. Society, thus formed, has certain needs and functions for which revenue is required. These needs and functions increase with social development, requiring a larger and larger revenue.*

Now, experience and analogy, if not the instinctive perceptions of the human mind, teach us that there is a natural way of satisfying every natural want. And if human society is included in nature, as it surely is, this must apply to social wants as well as to the wants of the individual, and there must be a natural or right method of taxation, as there is a natural or right method of walking.



Image: PUCK, Wikipedia

We know, beyond peradventure, that the natural or right way for a man to walk is on his feet, and not on his hands. We know this of a surety -- because the feet are adapted to walking, while the hands are not; because in walking on the feet all the other organs of the body are free to perform their proper functions, while in walking on the hands they are not; because a man can walk on his feet with ease, convenience and celerity, while no amount of training will enable him to walk on his hands save awkwardly, slowly and painfully. In the same way we may know that the natural or right way of raising the revenues which are required by the needs of society is by the taxation of land values. The value of land is in its nature and relations adapted to purposes of taxation, just as the feet in their nature and relations are adapted to the purposes of walking. The value of land only arises as in the integration of society the need for some public or common revenue begins to be felt. It increases as the development of society goes on, and as larger and larger revenues are therefore required. Taxation upon land values does not lessen the individual incentive to production and accumulation, as do other methods of taxation; on the contrary, it leaves perfect freedom to productive forces, and prevents restrictions upon production from arising. It does not foster monopolies, and cause unjust inequalities in the distribution of wealth, as do other taxes; on the contrary, it has the

effect of breaking down monopoly and equalizing the distribution of wealth. It can be collected with greater certainty and economy than any other tax; it does not beget the evasion, corruption and dishonesty that flow from other taxes. In short, it conforms to every economic and moral requirement. What can be more in accordance with justice than that the value of land, which is not created by individual effort, but arises from the existence and growth of society, should be taken by society for social needs?

In trying, in a previous chapter, to imagine a world in which natural material and opportunities were free as air, I said that such a world as we find ourselves in is best for men who will use the intelligence with which man has been gifted. So, evidently, it is. The very laws which cause social injustice to result in inequality, suffering and degradation are in their nature beneficent. All this evil is the wrong side of good that might be.

Man is more than an animal. And the more we consider the constitution of this world in which we find ourselves, the more clearly we see that its constitution is such as to develop more than animal life. If the purpose for which this world existed were merely to enable animal man to eat, drink and comfortably clothe and house himself for his little day, some such world as I have previously endeavored to imagine would be best. But

the purpose of this world, so far at least as man is concerned, is evidently the development of moral and intellectual, even more than of animal, powers. Whether we consider man himself or his relations to nature external to him, the substantial truth of that bold declaration of the Hebrew scriptures, that man has been created in the image of God, forces itself upon the mind.

If all the material things needed by man could be produced equally well at all points on the earth's surface, it might seem more convenient for man the animal, but how would he have risen above the animal level? As we see in the history of social development, commerce has been and is the great civilizer and educator. The seemingly infinite diversities in the capacity of different parts of the earth's surface lead to that exchange of productions which is the most powerful agent in preventing isolation, in breaking down prejudice, in increasing knowledge and widening thought. These diversities of nature, which seemingly increase with our knowledge of nature's powers like the diversities in the aptitudes of individuals and communities, which similarly increase with social development, call forth powers and give rise to pleasures which could never arise had man been placed, like an ox, in a boundless field of clover. The "international law of God" which we fight with our tariffs -- so short-sighted are the selfish prejudices of men -- is the law which stimulates mental and moral progress; the law to which civilization is due.

And so, when we consider the phenomenon of rent, it reveals to us one of those beautiful and beneficent adaptations, in which more than in anything else the human mind recognizes evidences of Mind infinitely greater, and catches glimpses of the Master Workman.

*This is the law of rent: As individuals come together in communities, and society grows, integrating more and more its individual members, and making general interests and general conditions of more and more relative importance, there arises, over and above the value which individuals can create for themselves, a value which is created by the community as a whole, and which, attaching to land, becomes tangible, definite and capable of computation and appropriation.*

As society grows, so grows this value, which springs from and represents in tangible form what society as a whole contributes to production, as distinguished from what is contributed by individual exertion. By virtue of natural law in those aspects which it is the purpose of the science we call political economy to discover -- as it is the purpose of the sciences which we call chemistry and astronomy to discover other aspects of natural law -- all social advance necessarily contributes to the increase of this common value; to the growth of this common fund.

Here is a provision made by natural law for the increasing needs of social growth; here is an adaptation of nature by virtue of which the natural progress of society is a progress toward equality, not toward inequality; a centripetal force tending to unity, growing out of and ever balancing a centrifugal force tending to diversity. Here is a fund belonging to society as a whole from which, without the degradation of alms, private or public, provision can be made for the weak, the helpless, the aged; from which provision can be made for the common wants of all as a matter of common right to each, and by the utilization of which society, as it advances, may pass, by natural methods and easy stages, from a rude association for purposes of defense and police, into a cooperative association, in which combined power guided by combined intelligence can give to each more than his own exertions multiplied many fold could produce.

By making land private property, by permitting individuals to appropriate this fund which nature plainly intended for the use of all, we throw the children's bread to the dogs of Greed and Lust; we produce a primary inequality which gives rise in every direction to other tendencies to inequality; and from this perversion of the good gifts of the Creator, from this ignoring and defying of his social laws, there arise in the very heart of our civilization those horrible and monstrous things that betoken social putrefaction.