



In May 1891 Pope Leo XIII issued an Encyclical Letter entitled *Rerum Novarum* in which he condemned what he saw as *'The Socialist Scheme: The Destruction of Private Property'*. Henry George thought this would be interpreted as an attack on his own proposals and wrote an open letter to the Pope entitled *'The Condition of Labour'* in which he clarified how they differed from 'socialist ideas' and were entirely consistent with the fundamental teachings of the Christian Faith. The following extract is taken from the beginning of his letter.

# Your Holiness,

I have read with care your Encyclical letter on the condition of labour, addressed, through the Patriarchs, Primates, Archbishops, and Bishops of your faith, to the Christian World.

Since its most strikingly pronounced condemnations are directed against a theory that we who hold it know to be deserving of your support, I ask permission to lay before your Holiness the grounds of our belief, and to set forth some considerations that you have unfortunately overlooked

The momentous seriousness of the facts you refer to, the poverty, suffering and seething discontent that pervade the Christian world, the danger that passion may lead ignorance in a blind struggle against social conditions rapidly becoming intolerable, are my justification.

## I. THE PRINCIPLES OF LAND VALUE TAXATION.

Our postulates are all stated or implied in your Encyclical. They are the primary perceptions of human reason, the fundamental teachings of the Christian faith:

**We hold: That—**

This world is the creation of God.

The men brought into it for the brief period of their earthly lives are the equal creatures of his bounty, the equal subjects of his provident care.

By his constitution man is beset by physical wants, on the satisfaction of which depend not only the maintenance of his physical life but also the development of his intellectual and spiritual life.

God has made the satisfaction of these wants dependent on man's own exertions, giving him the power and laying on him the injunction to labour—a power that of itself raises him far above the brute, since we may reverently say that it enables him to become as it were a helper in the creative work.

God has not put on man the task of making bricks without straw. With the need for labour and the power to labour he has also given to man the material for labour. This material is land—man physically being a land animal, who can live only on and from land, and can use other elements, such as air, sunshine and water, only by the use of land.

Being the equal creatures of the Creator, equally entitled under his providence to live their lives and satisfy their needs, men are equally entitled to the use of land, and any adjustment that denies this equal use of land is morally wrong.

**As to the right of ownership, we hold: That—**

Being created individuals, with individual wants and powers, men are individually entitled (subject of course to the moral obligations that arise from such relations as that of the family) to the use of their own powers and the enjoyment of the results.

There thus arises, anterior to human law, and deriving its validity from the law of God, a right of private ownership in things produced by labour—a right that the possessor may transfer, but of which to deprive him without his will is theft.

This right of property, originating in the right of the individual to himself, is the only full and complete right of property. It attaches to things produced by labour, but cannot attach to things created by God.

Thus, if a man take a fish from the ocean he acquires a right of property in that fish, which exclusive right he may transfer by sale or gift. But he cannot obtain a similar right of property in the ocean, so that he may sell it or give it or forbid others to use it.

Or, if he set up a windmill he acquires a right of property in the things such use of wind enables him to produce. But he cannot claim a right of property in the wind itself, so that he may sell it or forbid others to use it.

Or, if he cultivates grain he acquires a right of property in the grain his labour brings forth. But he cannot obtain a similar right of property in the sun which ripened it or the soil on which it grew. For these things are of the continuing gifts of God to all generations of men, which all may use, but none may claim as his alone.

To attach to things created by God the same right of private ownership that justly attaches to things produced by labour is to impair and deny the true rights of property. For a man who out of the proceeds of his labour is obliged to pay another man for the use of ocean or air or sunshine or soil, all of which are to men involved in the single term land, is in this deprived of his rightful property and thus robbed.

**As to the use of land, we hold: That—**

While the right of ownership that justly attaches to things produced by labour cannot attach to land, there may attach to land a right of possession. As your Holiness says, "God has not granted the earth to mankind in general in the sense that all without distinction can deal with it as they please," and regulations necessary for its best use may be fixed by human laws. But such regulations must conform to the moral law—must secure to all equal participation in the advantages of God's general bounty. The principle is the same as where a human father leaves property equally to a number of children. Some of the things thus left may be incapable of common use or of specific division. Such things may properly be assigned to some of the children, but only under condition that the equality of benefit among them all be preserved.

In the rudest social state, while industry consists in hunting, fishing, and gathering the spontaneous fruits of the earth, private possession of land is not necessary. But as men begin to cultivate the ground and expend their labour in permanent works, private possession of the land on which labour is thus expended is needed to secure the right of property in the products of labour. For who would sow if not assured of the exclusive possession needed to enable him to reap? Who would attach costly works to the soil without such exclusive possession of the soil as would enable him to secure the benefit?

This right of private possession in things created by God is however very different from the right of private ownership in things produced by labour. The one is limited, the other unlimited, save in cases when the dictate of self-preservation terminates all other rights. The purpose of the one, the exclusive possession of land, is merely to secure the other, the exclusive ownership of the products of labour; and it can never rightfully be carried so far as to impair or deny this. While any one may hold exclusive possession of land so far as it does not interfere with the equal rights of others, he can rightfully hold it no further.

Thus Cain and Abel, were there only two men on earth, might by agreement divide the earth between them. Under this compact each might claim exclusive right to his share as against the other. But neither could rightfully continue such claim against the next man born. For since no one comes into the world without God's permission, his presence attests his equal right to the use of God's bounty. For them to refuse him any use of the earth which they had divided between them would therefore be for them to commit murder. And for them to refuse him any use of the earth, unless by labouring for them or by giving them part of the products of his labour he bought it of them, would be for them to commit theft.

God's laws do not change. Though their applications may alter with altering conditions, the same principles of right and wrong that hold when men are few and industry is rude also hold amid teeming populations and complex industries.

In our cities of millions and our states of scores of millions, in a civilisation where the division of labour has gone so far that large numbers are hardly conscious that they are land-users, it still remains true that we are all land animals and can live only on land, and that land is God's bounty to all, of which no one can be deprived without being murdered, and for which no one can be compelled to pay another without being robbed. But even in a state of society where the elaboration of industry and the increase of permanent improvements have made the need for private possession of land wide-spread, there is no difficulty in conforming individual possession with the equal right to land. For as soon as any piece of land will yield to the possessor a larger return than is had by similar labour on other land a value attaches to it which is shown when it is sold or rented. Thus, the value of the land itself, irrespective of the value of any improvements in or on it, always indicates the precise value of the benefit to which all are entitled in its use, as distinguished from the value which, as producer or successor of a producer, belongs to the possessor in individual right.

To combine the advantages of private possession with the justice of common ownership it is only necessary therefore to take for common uses what value attaches to land irrespective of any exertion of labour on it. The principle is the same as in the case referred to, where a human father leaves equally to his children things not susceptible of specific division or common use. In that case such things would be sold or rented and the value equally applied. It is on this common-sense principle that we, who term ourselves single-tax men, would have the community act.

We do not propose to assert equal rights to land by keeping land common, letting any one use any part of it at any time. We do not propose the task, impossible in the present state of society, of dividing land in equal shares; still less the yet more impossible task of keeping it so divided.

**We propose –**

leaving land in the private possession of individuals, with full liberty on their part to give, sell or bequeath it—simply to levy on it for public uses a tax that shall equal the annual value of the land itself, irrespective of the use made of it or the improvements on it. And since this would provide amply for the need of public revenues, we would accompany this tax on land values with the repeal of all taxes now levied on the products and processes of industry—which taxes, since they take from the earnings of labour, we hold to be infringements of the right of property.

This we propose, not as a cunning device of human ingenuity, but as a conforming of human regulations to the will of God.

God cannot contradict himself nor impose on his creatures laws that clash.

If it be God's command to men that they should not steal—that is to say, that they should respect the right of property which each one has in the fruits of his labour;

And if he be also the Father of all men, who in his common bounty has intended all to have equal opportunities for sharing;

Then, in any possible stage of civilisation, however elaborate, there must be some way in which the exclusive right to the products of industry may be reconciled with the equal right to land.

If the Almighty be consistent with himself, it cannot be, as say those socialists referred to by you, that in order to secure the equal participation of men in the opportunities of life and labour we must ignore the right of private property. Nor yet can it be, as you yourself in the Encyclical seem to argue, that to secure the right of private property we must ignore the equality of right in the opportunities of life and labour. To say the one thing or the other is equally to deny the harmony of God's laws.

But, the private possession of land, subject to the payment to the community of the value of any special advantage thus given to the individual, satisfies both laws, securing to all equal participation in the bounty of the Creator and to each the full ownership of the products of his labour.

Nor do we hesitate to say that this way of securing the equal right to the bounty of the Creator and the exclusive right to the products of labour is the way intended by God for raising public revenues. For we are not atheists, who deny God; nor semi-atheists, who deny that he has any concern in politics and legislation.

It is true as you say—a salutary truth too often forgotten—that "man is older than the state, and he holds the right of providing for the life of his body prior to the formation of any state." Yet, as you too perceive, it is also true that the state is in the divinely appointed order. For He who foresaw all things and provided for all things, foresaw and provided that with the increase of population and the development of industry the organisation of human society into states or governments would become both expedient and necessary. No sooner does the state arise than, as we all know, it needs revenues. This need for revenues is small at first, while population is sparse, industry rude and the functions of the state few and simple. But with growth of population and advance of civilisation the functions of the state increase and larger and larger revenues are needed.

Now, He that made the world and placed man in it, He that pre-ordained civilisation as the means whereby man might rise to higher powers and become more and more conscious of the works of his Creator, must have foreseen this increasing need for state revenues and have made provision for it. That is to say: The increasing need for public revenues with social advance, being a natural, God-ordained need, there must be a right way of raising them—some way that we can truly say is the way intended by God. It is clear that this right way of raising public revenues must accord with the moral law.

Hence:

It must not take from individuals what rightfully belongs to individuals.

It must not give some an advantage over others, as by increasing the prices of what some have to sell and others must buy.

It must not lead men into temptation, by requiring trivial oaths, by making it profitable to lie, to swear falsely, to bribe or to take bribes.

It must not confuse the distinctions of right and wrong, and weaken the sanctions of religion and the state by creating crimes that are not sins, and punishing men for doing what in itself they have an undoubted right to do.

It must not repress industry. It must not check commerce. It must not punish thrift. It must offer no impediment to the largest production and the fairest division of wealth. Let me ask your Holiness to consider the taxes on the processes and products of industry by which through the civilised world public revenues are collected—the octroi duties that surround Italian cities with barriers; the monstrous customs duties that hamper intercourse between so-called Christian states; the taxes on occupations, on earnings, on investments, on the building of houses, on the cultivation of fields, on industry and thrift in all forms. Can these be the ways God has intended that governments should raise the means they need? Have any of them the characteristics indispensable in any plan we can deem a right one?

All these taxes violate the moral law. They take by force what belongs to the individual alone; they give to the unscrupulous an advantage over the scrupulous; they have the effect, may be largely intended, to increase the price of what some have to sell and others must buy; they corrupt government; they make oaths a mockery; they shackle commerce; they fine industry and thrift; they lessen the wealth that men might enjoy, and enrich some by impoverishing others.

Yet what most strikingly shows how opposed to Christianity is this system of raising public revenues is its influence on thought.

Christianity teaches us that all men are brethren; that their true interests are harmonious, not antagonistic. It gives us, as the golden rule of life, that we should do to others as we would have others do to us. But out of the system of taxing the products and processes of labour, and out of its effects in increasing the price of what some have to sell and others must buy, has grown the theory of "protection," which denies this gospel, which holds Christ ignorant of political economy and proclaims laws of national well-being utterly at variance with his teaching. This theory sanctifies national hatreds; it inculcates a universal war of hostile tariffs; it teaches peoples that their prosperity lies in imposing on the productions of other peoples restrictions they do not wish imposed on their own; and instead of the Christian doctrine of man's brotherhood it makes injury of foreigners a civic virtue.

"By their fruits ye shall know them." Can anything more clearly show that to tax the products and processes of industry is not the way God intended public revenues to be raised?

But to consider what we propose—the raising of public revenues by a single tax on the value of land irrespective of improvements—is to see that in all respects this does conform to the moral law.

Let me ask your Holiness to keep in mind that the value we propose to tax, the value of land irrespective of improvements, does not come from any exertion of labour or investment of capital on or in it—the values produced in this way being values of improvement which we would exempt. The value of land irrespective of improvement is the value that attaches to land by reason of increasing population and social progress. This is a value that always goes to the owner as owner, and never does and never can go to the user; for if the user be a different person from the owner he must always pay the owner for it in rent or in purchase-money; while if the user be also the owner, it is as owner, not as user, that he receives it, and by selling or renting the land he can, as owner, continue to receive it after he ceases to be a user.

Thus, taxes on land irrespective of improvement cannot lessen the rewards of industry, nor add to prices\*, nor in any way take from the individual what belongs to the individual. They can take only the value that attaches to land by the growth of the community, and which therefore belongs to the community as a whole.

To take land values for the state, abolishing all taxes on the products of labour, would therefore leave to the labourer the full produce of labour; to the individual all that rightfully belongs to the individual. It would impose no burden on industry, no check on commerce, no punishment on thrift; it would secure the largest production and the fairest distribution of wealth, by leaving men free to produce and to exchange as they please, without any artificial enhancement of prices; and by taking for public purposes a value that cannot be carried off, that cannot be hidden, that of all values is most easily ascertained and most certainly and cheaply collected, it would enormously lessen the number of officials, dispense with oaths, do away with temptations to bribery and evasion, and abolish man-made crimes in themselves innocent.

But, further: That God has intended the state to obtain the revenues it needs by the taxation of land values is shown by the same order and degree of evidence that shows that God has intended the milk of the mother for the nourishment of the babe.

See how close is the analogy. In that primitive condition ere the need for the state arises there are no land values. The products of labour have value, but in the sparsity of population no value as yet attaches to land itself. But as increasing density of population and increasing

elaboration of industry necessitate the organisation of the state, with its need for revenues, value begins to attach to land. As population still increases and industry grows more elaborate, so the needs for public revenues increase. And at the same time and from the same causes land values increase. The connection is invariable. The value of things produced by labour tends to decline with social development, since the larger scale of production and the improvement of processes tend steadily to reduce their cost. But the value of land on which population centres goes up and up. Take Rome or Paris or London or New York or Melbourne. Consider the enormous value of land in such cities as compared with the value of land in sparsely settled parts of the same countries. To what is this due? Is it not due to the density and activity of the populations of those cities—to the very causes that require great public expenditure for streets, drains, public buildings, and all the many things needed for the health, convenience and safety of such great cities? See how with the growth of such cities the one thing that steadily increases in value is land; how the opening of roads, the building of railways, the making of any public improvement, adds to the value of land. Is it not clear that here is a natural law—that is to say a tendency willed by the Creator? Can it mean anything else than that He who ordained the state with its needs has in the values which attach to land provided the means to meet those needs?

That it does mean this and nothing else is confirmed if we look deeper still, and inquire not merely as to the intent, but as to the purpose of the intent. If we do so we may see in this natural law by which land values increase with the growth of society not only such a perfectly adapted provision for the needs of society as gratifies our intellectual perceptions by showing us the wisdom of the Creator, but a purpose with regard to the individual that gratifies our moral perceptions by opening to us a glimpse of his beneficence.

Consider: Here is a natural law by which as society advances the one thing that increases in value is land—a natural law by virtue of which all growth of population, all advance of the arts, all general improvements of whatever kind, add to a fund that both the commands of justice and the dictates of expediency prompt us to take for the common uses of society. Now, since increase in the fund available for the common uses of society is increase in the gain that goes equally to each member of society, is it not clear that the law by which land values increase with social advance while the value of the products of labour does not increase, tends with the advance of civilisation to make the share that goes equally to each member of society more and more important as compared with what goes to him from his individual earnings, and thus to make the advance of civilisation lessen relatively the differences that in a ruder social state must exist between the strong and the weak, the fortunate and the unfortunate? Does it not show the purpose of the Creator to be that the advance of man in civilisation should be an advance not merely to larger powers but to a greater and greater equality, instead of what we, by our ignoring of his intent, are making it, an advance toward a more and more monstrous inequality?

That the value attaching to land with social growth is intended for social needs is shown by the final proof. God is indeed a jealous God in the sense that nothing but injury and disaster can attend the effort of men to do things other than in the way he has intended; in the sense that where the blessings he proffers to men are refused or misused they turn to evils that scourge us. And just as for the mother to withhold the provision that fills her breast with the birth of the child is to endanger physical health, so for society to refuse to take for social uses the provision intended for them is to breed social disease. For refusal to take for public purposes the increasing values that attach to land with social growth is to necessitate the getting of public revenues by taxes that lessen production, distort distribution and corrupt society. It is to leave some to take what justly belongs to all; it is to forego the only means by which it is possible in an advanced civilisation to combine the security of possession that is necessary to improvement with the equality of natural opportunity that is the most important of all natural rights. It is thus at the basis of all social life to set up an unjust inequality between man and man, compelling some to pay others for the privilege of living, for the chance of working, for the advantages of civilisation, for the gifts of their God. But it is even more than this. The very robbery that the masses of men thus suffer gives rise in advancing communities to a new robbery. For the value that with the increase of population and social advance attaches to land being suffered to go to individuals who have secured ownership of the land, it prompts to a forestalling of and speculation in land wherever there is any prospect of advancing population or of coming improvement, thus producing an artificial scarcity of the natural elements of life and labour, and a strangulation of production that shows itself in recurring spasms of industrial depression as disastrous to the world as destructive wars. It is this that is driving men from the old countries to the new countries, only to bring there the same curses. It is this that causes our material advance not merely to fail to improve the condition of the mere worker, but to make the condition of large classes positively worse. It is this that in our richest Christian countries is giving us a large population whose lives are harder, more hopeless, more degraded than those of the veriest savages. It is this that leads so many men to think that God is a bungler and is constantly bringing more people into his world than he has made provision for; or that there is no God, and that belief in him is a superstition which the facts of life and the advance of science are dispelling.

The darkness in light, the weakness in strength, the poverty amid wealth, the seething discontent foreboding civil strife, that characterise our civilisation of to-day, are the natural, the inevitable results of our rejection of God's beneficence, of our ignoring of his intent. Were we on the other hand to follow his clear, simple rule of right, leaving scrupulously to the individual all that individual labour produces, and taking for the community the value that attaches to land by the growth of the community itself, not merely could evil modes of raising public revenues be dispensed with, but all men would be placed on an equal level of

opportunity with regard to the bounty of their Creator, on an equal level of opportunity to exert their labour and to enjoy its fruits. And then, without drastic or restrictive measures the forestalling of land would cease. For then the possession of land would mean only security for the permanence of its use, and there would be no object for any one to get land or to keep land except for use; nor would his possession of better land than others had confer any unjust advantage on him, or unjust deprivation on them, since the equivalent of the advantage would be taken by the state for the benefit of all.

The Right Reverend Dr. Thomas Nulty, Bishop of Meath, who sees all this as clearly as we do in pointing out to the clergy and laity of his diocese the design of Divine Providence that the rent of land should be taken for the community, says:

I think, therefore, that I may fairly infer, on the strength of authority as well as of reason, that the people are and always must be the real owners of the land of their country. This great social fact appears to me to be of incalculable importance, and it is fortunate, indeed, that on the strictest principles of justice it is not clouded even by a shadow of uncertainty or doubt. There is, moreover, a charm and a peculiar beauty in the clearness with which it reveals the wisdom and the benevolence of the designs of Providence in the admirable provision he has made for the wants and the necessities of that state of social existence of which he is author, and in which the very instincts of nature tell us we are to spend our lives. A vast public property, a great national fund, has been placed under the dominion and at the disposal of the nation to supply itself abundantly with resources necessary to liquidate the expenses of its government, the administration of its laws and the education of its youth, and to enable it to provide for the suitable sustentation and support of its criminal and pauper population. One of the most interesting peculiarities of this property is that its value is never stationary; it is constantly progressive and increasing in a direct ratio to the growth of the population, and the very causes that increase and multiply the demands made on it increase proportionately its ability to meet them.

There is, indeed, as Bishop Nulty says, a peculiar beauty in the clearness with which the wisdom and benevolence of Providence are revealed in this great social fact, the provision made for the common needs of society in what economists call the law of rent. Of all the evidence that natural religion gives, it is this that most clearly shows the existence of a beneficent God, and most conclusively silences the doubts that in our days lead so many to materialism.

For in this beautiful provision made by natural law for the social needs of civilisation we see that God has intended civilisation; that all our discoveries and inventions do not and cannot outrun his forethought, and that steam, electricity and labour-saving appliances only make the great moral laws clearer and more important. In the growth of this great fund, increasing with social advance—a fund that accrues from the growth of the community and belongs therefore to the community—we see not only that there is no need for the taxes that lessen wealth, that engender corruption, that promote inequality and teach men to deny the gospel; but that to take this fund for the purpose for which it was evidently intended would in the highest civilisation secure to all the equal enjoyment of God's bounty, the abundant opportunity to satisfy their wants, and would provide amply for every legitimate need of the state. We see that God in his dealings with men has not been a bungler or a niggard; that he has not brought too many men into the world; that he has not neglected abundantly to supply them; that he has not intended that bitter competition of the masses for a mere animal existence and that monstrous aggregation of wealth which characterise our civilisation; but that these evils which lead so many to say there is no God, or yet more impiously to say that they are of God's ordering, are due to our denial of his moral law. We see that the law of justice, the law of the Golden Rule, is not a mere counsel of perfection, but indeed the law of social life. We see that if we were only to observe it there would be work for all, leisure for all, abundance for all; and that civilisation would tend to give to the poorest not only necessities, but all comforts and reasonable luxuries as well. We see that Christ was not a mere dreamer when he told men that if they would seek the kingdom of God and its right-doing they might no more worry about material things than do the lilies of the field about their raiment; but that he was only declaring what political economy in the light of modern discovery shows to be a sober truth.

Your Holiness, even to see this is deep and lasting joy. For it is to see for one's self that there is a God who lives and reigns, and that he is a God of justice and love—Our Father who art in Heaven. It is to open a rift of sunlight through the clouds of our darker questionings, and to make the faith that trusts where it cannot see a living thing.

*The letter ends:* ....with the profound respect due to your personal character and to your exalted office, I am,

Yours sincerely

*Henry George*

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