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The proposal, advocated in the third quarter of the eighteenth century by the French physiocrats, and in particular by the great French economist, François Quesnay, that taxation should be based entirely on the net rent of land (presumed to be the only source of true net income in existence), was rediscovered and fervently propagated some hundred years later by the self-taught American economist Henry George (1839–97). George, who grew up in Philadelphia and embarked on a successful career as a journalist and commentator on economic and social issues in the mid-1860s in San Francisco, sought to understand the reasons for what he saw as a simultaneous advance of poverty and wealth in the United States. He claimed to have found it in the private ownership of land. As population increases, land becomes relatively scarcer, hence grows in value: those who work on it must pay increasing rents for the privilege. The Single Tax, he argued, was the called-for remedy. George's most important book, Progress and Poverty, *published in 1879, was widely read and had an important influence on economic discourse, though not palpably on policy, in late nineteenth century America and also in Western Europe. Numerous passages in* Progress and Poverty *discuss the interrelationships between population growth and the economy. George sought to show that population growth is fully compatible with material progress. Chapter 4 of Book II in* Progress and Poverty, *reproduced below in full, is entitled "Disproof of the Malthusian Theory." The central point of George's "disproof" anticipates numerous later formulations. George simply points out that the total wealth produced has in fact been increasing faster than population. This observed empirical relationship, hardly surprising under conditions of rapid technological change and capital accumulation, is then generalized as one that holds in all times and circumstances. Thus, with an "equitable distribution of wealth," the greater is the population the greater is the comfort that can be provided to each individual. Whether the implied independence of production from distribution is valid, whether the presence of some fixed factors can ultimately frustrate the expectation of increasing (or even constant) returns to scale, or whether an achieved rate of improvement in income per head is as large with a faster rate of population growth as it could be with a slower rate, are questions not explicitly discussed.*

So deeply rooted and thoroughly entwined with the reasonings of the current political economy is this doctrine that increase of population tends to reduce wages and produce poverty, so completely does it harmonize with many popular notions, and so liable is it to recur in different shapes, that I have thought it necessary to meet and show in some detail the insufficiency of the arguments by which it is supported, before bringing it to the test of facts; for the general acceptance of this theory adds a most striking instance to the many which the history of thought affords of how easily men ignore facts when blindfolded by a preaccepted theory.

To the supreme and final tests of facts we can easily bring this theory. Manifestly the question whether increase of population necessarily tends to reduce wages and cause want, is simply the question whether it tends to reduce the amount of wealth that can be produced by a given amount of labor.

This is what the current doctrine holds. The accepted theory is, that the more that is required from nature the less generously does she respond, so that doubling the application of labor will not double the product; and hence, increase of population must tend to reduce wages and deepen poverty, or, in the phrase of Malthus, must result in vice and misery. To quote the language of John Stuart Mill:

> A greater number of people cannot, in any given state of civilization, be collectively so well provided for as a smaller. The niggardliness of nature, not the injustice of society, is the cause of the penalty attached to over-population. An unjust distribution of wealth does not aggravate the evil, but, at most, causes it to be somewhat earlier felt. It is in vain to say that all mouths which the increase of mankind calls into existence bring with them hands. The new mouths require as much food as the old ones, and the hands do not produce as much. If all instruments of production were held in joint property by the whole people, and the produce divided with perfect equality among them, and if in a society thus constituted, industry were as energetic and the produce as ample as at the present time, there would be enough to make all the existing population extremely comfortable; but when that population had doubled itself, as, with existing habits of the people, under such an encouragement, it undoubtedly would in little more than twenty years, what would then be their condition? Unless the arts of production were in the same time improved in an almost unexampled degree, the inferior soils which must be resorted to, and the more laborious and scantily remunerative cultivation which must be employed on the superior soils, to procure food for so much larger a population, would, by an insuperable necessity, render every individual in the community poorer than before. If the population continued to increase at the same rate, a time would soon arrive when no one would have more than mere necessaries, and, soon after, a time when no one would have a sufficiency of those, and the further increase of population would be arrested by death.*

* "Principles of Political Economy," Book I, Chap. XIII, Sec. 2.

All this I deny. I assert that the very reverse of these propositions is true. I assert that in any given state of civilization a greater number of people can collectively be better provided for than a smaller. I assert that the injustice of society, not the niggardliness of nature, is the cause of the want and misery which the current theory attributes to overpopulation. I assert that the new mouths which an increasing population calls into existence require no more food than the old ones, while the hands they bring with them can in the natural order of things produce more. I assert that, other things being equal, the greater the population, the greater the comfort which an equitable distribution of wealth would give to each individual. I assert that in a state of equality the natural increase of population would constantly tend to make every individual richer instead of poorer.

I thus distinctly join issue, and submit the question to the test of facts.

But observe (for even at the risk of repetition I wish to warn the reader against a confusion of thought that is observable even in writers of great reputation), that the question of fact into which this issue resolves itself is not in what stage of population is most subsistence produced? but in what stage of population is there exhibited the greatest power of producing wealth? For the power of producing wealth in any form is the power of producing subsistence—and the consumption of wealth in any form, or of wealth-producing power, is equivalent to the consumption of subsistence. I have, for instance, some money in my pocket. With it I may buy either food or cigars or jewelry or theater tickets, and just as I expend my money do I determine labor to the production of food, of cigars, of jewelry, or of theatrical representations. A set of diamonds has a value equal to so many barrels of flour—that is to say, it takes on the average as much labor to produce the diamonds as it would to produce so much flour. If I load my wife with diamonds, it is as much an exertion of subsistence-producing power as though I had devoted so much food to purposes of ostentation. If I keep a footman, I take a possible plowman from the plow. The breeding and maintenance of a race horse require care and labor which would suffice for the breeding and maintenance of many work horses. The destruction of wealth involved in a general illumination or the firing of a salute is equivalent to the burning up of so much food; the keeping of a regiment of soldiers, or of a warship and her crew, is the diversion to unproductive uses of labor that could produce subsistence for many thousands of people. Thus the power of any population to produce the necessaries of life is not to be measured by the necessaries of life actually produced, but by the expenditure of power in all modes.

There is no necessity for abstract reasoning. The question is one of simple fact. Does the relative power of producing wealth decrease with the increase of population?

The facts are so patent that it is only necessary to call attention to them. We have, in modern times, seen many communities advance in population. Have they not at the same time advanced even more rapidly in wealth? We see many communities still increasing in population. Are they not also increasing their wealth still faster? Is there any doubt that while England has been increasing her population at the rate of two per cent per annum, her wealth has been growing in still greater proportion? Is it not true that while the population of the United States has been doubling every twenty-nine* years her wealth has been doubling at much shorter intervals? Is it not true that under similar conditions—that is to say, among communities of similar people in a similar stage of civilization—the most densely populated community is also the richest? Are not the more densely populated eastern states richer in proportion to population than the more sparsely populated western or southern states? Is not England, where population is even denser than in the eastern states of the Union, also richer in proportion? Where will you find wealth devoted with the most lavishness to nonproductive use—costly buildings, fine furniture, luxurious equipages, statues, pictures, pleasure gardens and yachts? Is it not where population is densest rather than where it is sparsest? Where will you find in largest proportion those whom the general production suffices to keep without productive labor on their part—men of income and of elegant leisure, thieves, policemen, menial servants, lawyers, men of letters, and the like? Is it not where population is dense rather than where it is sparse? Whence is it that capital overflows for remunerative investment? Is it not from densely populated countries to sparsely populated countries? These things conclusively show that wealth is greatest where population is densest; that the production of wealth to a given amount of labor increases as population increases. These things are apparent wherever we turn our eyes. On the same level of civilization, the same stage of the productive arts, government, etc., the most populous countries are always the most wealthy.

Let us take a particular case, and that a case which of all that can be cited seems at first blush best to support the theory we are considering—the case of a community where, while population has largely increased, wages have greatly decreased, and it is not a matter of dubious inference but of obvious fact that the generosity of nature has lessened. That community is California. When upon the discovery of gold the first wave of immigration poured into California it found a country in which nature was in the most generous mood. From the river banks and bars the glittering deposits of thousands of years could be taken by the most primitive appliances, in amounts which made an ounce ($16) per day only ordinary wages. The plains, covered with nutritious grasses, were alive with countless herds of horses and cattle, so plenty that any traveler was at liberty to shift his saddle to a fresh steed, or to kill a bullock if he needed a steak, leaving the hide, its only valuable part, for the owner. From the rich soil which came first under cultivation, the mere plowing and sowing brought crops that in older countries, if procured at all, can only be procured by the most thorough manuring and cultivation. In

* The rate up to 1860 was 35 per cent each decade.

early California, amid this profusion of nature, wages and interest were higher than anywhere else in the world.

This virgin profusion of nature has been steadily giving way before the greater and greater demands which an increasing population has made upon it. Poorer and poorer diggings have been worked, until now no diggings worth speaking of can be found, and gold mining requires much capital, large skill, and elaborate machinery, and involves great risks. "Horses cost money," and cattle bred on the sagebrush plains of Nevada are brought by railroad across the mountains and killed in San Francisco shambles, while farmers are beginning to save their straw and look for manure, and land is in cultivation which will hardly yield a crop three years out of four without irrigation. At the same time wages and interest have steadily gone down. Many men are now glad to work for a week for less than they once demanded for the day, and money is loaned by the year for a rate which once would hardly have been thought extortionate by the month. Is the connection between the reduced productiveness of nature and the reduced rate of wages that of cause and effect? Is it true that wages are lower because labor yields less wealth? On the contrary! Instead of the wealth-producing power of labor being less in California in 1879 than in 1849, I am convinced that it is greater. And, it seems to me, that no one who considers how enormously during these years the efficiency of labor in California has been increased by roads, wharves, flumes, railroads, steamboats, telegraphs, and machinery of all kinds; by a closer connection with the rest of the world; and by the numberless economies resulting from a larger population, can doubt that the return which labor receives from nature in California is on the whole much greater now than it was in the days of unexhausted placers and virgin soil—the increase in the power of the human factor having more than compensated for the decline in the power of the natural factor. That this conclusion is the correct one is proved by many facts which show that the consumption of wealth is now much greater, as compared with the number of laborers, than it was then. Instead of a population composed almost exclusively of men in the prime of life, a large proportion of women and children are now supported, and other nonproducers have increased in much greater ratio than the population; luxury has grown far more than wages have fallen; where the best houses were cloth and paper shanties, are now mansions whose magnificence rivals European palaces; there are liveried carriages on the streets of San Francisco and pleasure yachts on her bay; the class who can live sumptuously on their incomes has steadily grown; there are rich men beside whom the richest of the earlier years would seem little better than paupers—in short, there are on every hand the most striking and conclusive evidences that the production and consumption of wealth have increased with even greater rapidity than the increase of population, and that if any class obtains less it is solely because of the greater inequality of distribution.

What is obvious in this particular instance is obvious where the survey is extended. The richest countries are not those where nature is most prolific;

but those where labor is most efficient—not Mexico, but Massachusetts; not Brazil, but England. The countries where population is densest and presses hardest upon the capabilities of nature, are, other things being equal, the countries where the largest proportion of the produce can be devoted to luxury and the support of nonproducers, the countries where capital overflows, the countries that upon exigency, such as war, can stand the greatest drain. That the production of wealth must, in proportion to the labor employed, be greater in a densely populated country like England than in new countries where wages and interest are higher, is evident from the fact that, though a much smaller proportion of the population is engaged in productive labor, a much larger surplus is available for other purposes than that of supplying physical needs. In a new country the whole available force of the community is devoted to production—there is no well man who does not do productive work of some kind, no well woman exempt from household tasks. There are no paupers or beggars, no idle rich, no class whose labor is devoted to ministering to the convenience or caprice of the rich, no purely literary or scientific class, no criminal class who live by preying upon society, no large class maintained to guard society against them. Yet with the whole force of the community thus devoted to production, no such consumption of wealth in proportion to the whole population takes place, or can be afforded, as goes on in the old country; for, though the condition of the lowest class is better, and there is no one who cannot get a living, there is no one who gets much more—few or none who can live in anything like what would be called luxury, or even comfort, in the older country. That is to say, that in the older country the consumption of wealth in proportion to population is greater, although the proportion of labor devoted to the production of wealth is less—or that fewer laborers produce more wealth; for wealth must be produced before it can be consumed.

It may, however, be said, that the superior wealth of older countries is due not to superior productive power, but to the accumulations of wealth which the new country has not yet had time to make.

It will be well for a moment to consider this idea of accumulated wealth. The truth is, that wealth can be accumulated but to a slight degree, and that communities really live, as the vast majority of individuals live, from hand to mouth. Wealth will not bear much accumulation; except in a few unimportant forms it will not keep. The matter of the universe, which, when worked up by labor into desirable forms, constitutes wealth, is constantly tending back to its original state. Some forms of wealth will last for a few hours, some for a few days, some for a few months, some for a few years; and there are very few forms of wealth that can be passed from one generation to another. Take wealth in some of its most useful and permanent forms—ships, houses, railways, machinery. Unless labor is constantly exerted in preserving and renewing them, they will almost immediately become useless. Stop labor in any community, and wealth would vanish almost as the jet of a fountain vanishes when the flow of water is shut off. Let labor again exert itself, and wealth will almost as immediately reappear. This has been long noticed where war or other calamity has swept away wealth, leaving population unimpaired. There is not less wealth in London today because of the great fire of 1666; nor yet is there less wealth in Chicago because of the great fire in 1870. On those fire-swept acres have arisen, under the hand of labor, more magnificent buildings, filled with greater stocks of goods; and the stranger who, ignorant of the history of the city, passes along those stately avenues would not dream that a few years ago all lay so black and bare. The same principle—that wealth is constantly re-created—is obvious in every new city. Given the same population and the same efficiency of labor, and the town of yesterday will possess and enjoy as much as the town founded by the Romans. No one who has seen Melbourne or San Francisco can doubt that if the population of England were transported to New Zealand, leaving all accumulated wealth behind, New Zealand would soon be as rich as England is now; or, conversely, that if the population of England were reduced to the sparseness of the present population of New Zealand, in spite of accumulated wealth, they would soon be as poor. Accumulated wealth seems to play just about such a part in relation to the social organism as accumulated nutriment does to the physical organism. Some accumulated wealth is necessary, and to a certain extent it may be drawn upon in exigencies; but the wealth produced by past generations can no more account for the consumption of the present than the dinners he ate last year can supply a man with present strength.

But without these considerations, which I allude to more for their general than for their special bearing, it is evident that superior accumulations of wealth can account for greater consumption of wealth only in cases where accumulated wealth is decreasing, and that wherever the volume of accumulated wealth is maintained, and even more obviously where it is increasing, a greater consumption of wealth must imply a greater production of wealth. Now, whether we compare different communities with each other, or the same community at different times, it is obvious that the progressive state, which is marked by increase of population, is also marked by an increased consumption and an increased accumulation of wealth, not merely in the aggregate, but per capita. And hence, increase of population, so far as it has yet anywhere gone, does not mean a reduction, but an increase in the average production of wealth.

And the reason of this is obvious. For, even if the increase of population does reduce the power of the natural factor of wealth, by compelling a resort to poorer soils, etc., it yet so vastly increases the power of the human factor as more than to compensate. Twenty men working together will, where nature is niggardly, produce more than twenty times the wealth that one man can produce where nature is most bountiful. The denser the population the more minute becomes the subdivision of labor, the greater the economies of production and distribution, and, hence, the very reverse of the Malthusian doctrine is true; and, within the limits in which we have reason to suppose increase would still go on, in any given state of civilization a greater number of people can produce a larger proportionate amount of wealth, and more fully supply their wants, than can a smaller number.

Look simply at the facts. Can anything be clearer than that the cause of the poverty which festers in the centers of civilization is not in the weakness of the productive forces? In countries where poverty is deepest, the forces of production are evidently strong enough, if fully employed, to provide for the lowest not merely comfort but luxury. The industrial paralysis, the commercial depression which curses the civilized world today, evidently springs from no lack of productive power. Whatever be the trouble, it is clearly not in the want of ability to produce wealth.

It is this very fact—that want appears where productive power is greatest and the production of wealth is largest—that constitutes the enigma which perplexes the civilized world, and which we are trying to unravel. Evidently the Malthusian theory, which attributes want to the decrease of productive power, will not explain it. That theory is utterly inconsistent with all the facts. It is really a gratuitous attribution to the laws of God of results which, even from this examination, we may infer really spring from the maladjustments of men—an inference which, as we proceed, will become a demonstration. For we have yet to find what does produce poverty amid advancing wealth.