

Henry George: The Man and His Message

HENRY GEORGE, known as "the Prophet of San Francisco," was one of those leaders of thought who have appeared but seldom in the history of mankind. From poverty and the almost hopeless grind for daily bread, he made his way, not to wealth and power, but to a commanding influence over the minds and hearts of men and women. Through his own struggles, he learned the lesson of sympathy with the struggles of his fellows; and his life was devoted to the redemption of humanity from the scourge of needless poverty and suffering. His economic teaching, known in this country as the Single Tax and taught in other lands by the same or other names, is the gospel of hope to many thousands of human beings; and every year sees fresh progress in the direction of its attainment.

The life of Henry George was one of service, both to individuals and to the race. He was born September 2, 1839, in Philadelphia, Pa., of parents of very modest means, and left school before he was fourteen years of age, to relieve his father, in part at least, of the burden of his support. As he was one of ten children, and his father's salary amounted to but \$800 per year, this seemed the only thing to do. After two or three years spent in the usual small positions open to a boy of his age, he shipped as foremast boy on a vessel bound for Australia and India, his father giving a reluctant consent.

Returning home after a year's voyage, he learned to set type, and held several positions as a printer's assistant. Unsatisfactory labor conditions and the restlessness which survived to him from his experience on the water led him, however, to think of trying his fortune in a newer part of the country. Accordingly, at the age of nineteen, he undertook to work his passage to San Francisco.

A long period followed of struggle with poverty, met at all times boldly and cheerfully. From a printer with irregular and generally poorly paid employment, Mr. George finally acquired some notice as a newspaper correspondent and writer of promise. At the very height of his difficulties, he took what seemed under the circumstances the rash step of marrying for love a girl as poor as himself. The pair were hard put to it to make a living for themselves and the children who came to them; but the end was unqualified happiness to both.

Henry George possessed at all times a serious and studious mind, which refused to stop at superficialities. When, therefore, in the fullness of time, he directed his attention to the economic and social conditions around him, he could not be satisfied with the conventional explanations given by the political economy of his day. The continued existence and apparent increase of poverty side by side with the enormously multiplied development of sources of wealth and means of producing it, was to him the riddle of the Sphinx. Turn where he would, no complete answer came to him, until, almost by accident, his mind was suddenly

directed to the huge speculative profits derived by certain persons from the power to monopolize land, and to hold it out of use until their terms were met.

It was at once plain that this power of land monopoly could not be broken by any trivial attempt at its control by the government; nor, on the other hand, would it be possible to abolish private ownership of land, and revert to primitive conditions. The paradox remained that production under modern conditions was absolutely dependent on stability of tenure on the part of those who used the land; while, on the other hand, the power of ownership enabled individuals to corner desirable land in any quantity and hold it out of use, to the detriment of production, until their extortionate terms should be complied with by the desperate needs of would-be users.

To the riddle there is but one answer. It had been expressed, though insufficiently developed and justified, by the French Physiocrats of the eighteenth century, by Patrick Dove and several other thinkers of the early nineteenth century, and even, incidentally, by the great philosopher Spinoza and by the ancient Chinese sage Mencius and the celebrated Greek orator Dio Chrysostom, and had been just missed by Adam Smith and John Stuart Mill as the logical result of their own economic teachings. Of all these writers, however, Henry George at that time knew nothing. Coming independently to the inadequately stated and generally forgotten conclusions of these earlier thinkers, he established them on so strong a foundation as to rescue them forever from the danger of oblivion.

Starting from the premises of political economy itself, he proved step by step that only one ultimate consequence could be derived from the universally recognized law of rent. Whatever is produced by human beings is taken from the land, which in the economic sense includes all nature exterior to man and unaltered by him, and is fitted by labor to satisfy human desires. Capital is the union of labor and land, that portion of wealth which is set aside not for direct consumption but to aid production. The two primary factors of production are, therefore, land and labor, with capital as a secondary factor. That which is produced is inevitably divided among these factors, part going to land in the form of economic rent, part to labor in the form of wages and part to capital in the form of interest. Absolute control of either of the primary factors must mean the power of oppression. Absolute control of labor is the condition known as slavery; absolute control of land means land monopoly, with consequences equally disastrous to the dispossessed.

From these and related premises, Henry George reached the conclusion that land monopoly, cutting labor off from the very source of production, rendered the producer a mere tributary of the landowner, the lord of the land. The privilege of undisturbed possession of land, necessarily granted by society in order to stimulate production, has come to be abused by making land ownership consist in the power to demand rent, which tends always to become

a larger and larger share of the total product. The value of a given piece of land depends not on what the owner does to it, but on the activities of the entire community. If the owner of the land is permitted to reap the full benefit of this value, created by others, he receives something for which he has given no equivalent, and which does not rightly belong to him. It is not involved in the title to his land, nor implied in the social contract to protect him in the possession of the land itself. As the right of each individual is to whatever he produces, the right of the community to what it, collectively, produces must be paramount to all other rights. Since, therefore, land value, the annual return of which each year is measured by economic rent, is a social and not a private value, it logically and rightfully belongs altogether to the community.

The answer, then, to the riddle of the Sphinx, as given by Henry George, was that society should resume for its own purposes that which it has itself produced, leaving to the individual the undiminished possession of whatever was produced by himself. Economic rent forms a natural basis for social revenue, belonging naturally to society, being easily determined and easily collected, and being amply sufficient for all social needs. As all other taxes are not natural and inherently just, but wholly arbitrary and in no way proportioned to the social privileges accorded to the particular payer, and as each of them is shifted to the producer of wealth on the one hand and the consumer on the other, the taking of economic rent for the expenses of government would, of course, be accompanied by the abolition of all other forms of taxation. This would be fair to all. Everybody uses land, whether as owner or as direct or indirect renter. Hence, if the State collects all economic rent, nobody escapes, and each pays in proportion to the social value of the quantity, quality and location of the land which he occupies. On the other hand, a heavy burden is lifted from labor and from the producing classes, which are thus set free to create wealth unhampered by arbitrary restrictions or by the compulsion of paying tribute to any person or class.

Economic rent cannot be shifted, since the land is incapable of increase or decrease by human effort; and the attempt to charge more than its value for the use of any part of it cannot succeed in the absence of monopoly. It is not the same with buildings and other products of labor, the total amount of which can be increased or diminished at will by those who find that by diminishing the output they can secure higher prices. The effect of taxing land values is to make it unprofitable to hold land out of use. As the tax cannot be added to the rent, because of the availability of other land for the use of the person from whom it is sought to extort a higher rent, merely holding and renting land to others ceases to bring any net return to the owner; and still more does holding land out of use in the hope of selling at a higher rate become utterly unprofitable, since the tax will increase as fast as the value does, so that no profit can ever be made on a sale at any obtainable price.

The landholder has only one of two things to do under such circumstances. He must either put his land into use, and thus benefit the community by producing more wealth and by increasing employment, and thus fairly earn all that he gets; or he must give up the land which has become simply an expensive elephant on his hands. Whichever he does, the community gains. As a result, land soon becomes so cheap that anybody can have it for a song, provided he pays the annual tax on it. This the legitimate producer can afford to do, as the tax is not arbitrary but based on what it is really worth to the average user.

Only the would-be parasite, who wishes to live merely by taking rent, and to render no service for the income he obtains will find his attempt to loaf on the community frustrated. The earned wealth of a Thomas A. Edison would remain untouched; while the unearned wealth of a William Waldorf Astor would turn to apples of Sodom in his hands. There would be no artificially maintained equality of riches among human beings; but a normal and just equality of opportunity, in which none need suffer want, and the possessions of each would be in natural proportion to his industry and thrift.

Such is, in brief, the message of Henry George, as given to the world in his great work, "Progress and Poverty," and in a series of economic works which followed. From 1879, when "Progress and Poverty" appeared, to his death in 1897, his best energies were given to spreading the economic gospel which he had announced. He lived to see himself surrounded by a multitude of zealous disciples, many of whom are still in the work, growing gray with years, but filled with the holy enthusiasm of the founder of the Single Tax movement.

In the effort to secure practical results, Henry George took an active part in various political movements. He died in the harness, carrying on an active campaign for mayor of New York, a nomination which he had accepted against the advice of his physician, solely in the interests of social justice. Today, his name is a sacred one in many a household, and his work goes on with a momentum which nothing can stop.

JAMES F. MORTON, JR.

ISSUING BONDS TO HELP THE LANDOWNER

No, the City Commissioners do not intend to tear down the Alamo National Bank to widen North Presa Street—not with this bond issue. The opening of Presa Street from Commerce to Houston was necessitated by the lack of activity in real estate in that section. San Antonio (Tex.) *World*.

WHEN I beheld the squalid misery of a great city it appalled and tormented me, and would not let me rest for thinking of what caused it and how it might be cured.

HENRY GEORGE.

It is wrong to say God made rich and poor; He only made male and female, and He gave them the earth for their inheritance.—THOMAS PAINE.