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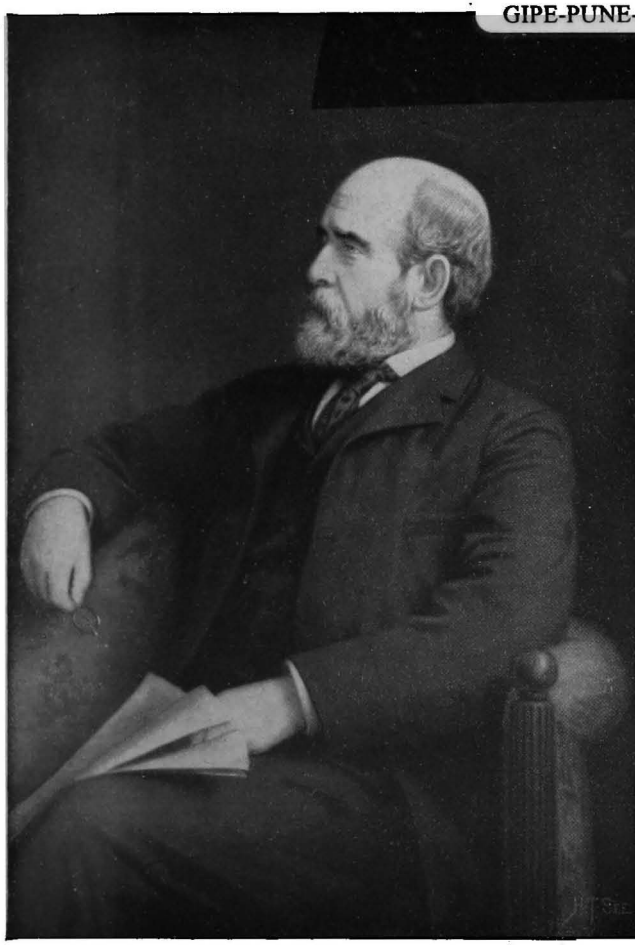

HENRY GEORGE

Significant Paragraphs
from
PROGRESS AND POVERTY

BOOKS BY HENRY GEORGE

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Significant Paragraphs from HENRY GEORGE'S Progress and Poverty

WITH INTRODUCTION BY

JOHN DEWEY

PROFESSOR OF PHILOSOPHY,
COLUMBIA UNIVERSITY

PUBLISHED FOR THE
ROBERT SCHALKENBACH FOUNDATION

11 PARK PLACE, NEW YORK

1931

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EXPLAINING THE FOUNDATION

The Robert Schalkenbach Foundation was incorporated in 1925, to administer a Trust Fund left by the will of the late Robert Schalkenbach (a former President of the New York Typothetae), and such other funds as may be donated to it, for the purpose of spreading among the people of this and other countries a wider acquaintance with the social and economic philosophy of Henry George. The Foundation, which is served by unpaid officers and directors, will welcome helpful co-operation or correspondence from those who believe that a need of our time is a new planting of George's teachings in the minds of men.

It would require less than the fingers of the two hands to enumerate those who, from Plato down, rank with Henry George among the world's social philosophers. No man, no graduate of a higher educational institution, has a right to regard himself as an educated man in social thought unless he has some first-hand acquaintance with the theoretical contribution of this great American thinker.

JOHN DEWEY

PREFACE

Probably no other writer has ever made the study of economics so interesting to so many readers as has Henry George. And now, when more and more economists of national and international reputation are coming to endorse the main idea for which Henry George stood, it is almost preposterous, as well as unfair to students of economics, that they should be assigned no reading on this idea other than the inadequate account of it and the superficial' adverse criticism which are all that some of the most widely used current texts in economics—and even in public finance—contain.

But there has been a real difficulty even for instructors most anxious that their students should have the case for bare-land-value taxation fairly presented to them. The complete *Progress and Poverty* from which these selections are made would take more time than most teachers might wish to devote to a single topic in economics, whatever its importance.

The paragraphs here printed have been selected so as to present in brief compass the essentials of Henry George's argument in his own eloquent and inimitable style. Only such slight textual changes have been made as seemed necessary to preserve continuity. In almost any course in economics can be found space for the few assignments necessary to cover these selected paragraphs, and any class can be asked to meet the trifling incident expense. Thus might be given a new zest and renewed enthusiasm to the students whose sometimes waning interest in the categories and laws of economics is a recurrent discouragement to their instructors.

It is hoped, too, that many who are not in school or college, but who should know and really desire to know something of the economic philosophy of Henry George, will spare for that purpose the very few hours necessary to read this little book.

HARRY GUNNISON BROWN

University of Missouri
Columbia, Mo.

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APPENDIX I.

OPINIONS OF SOME LEADING AMERICAN ECONOMISTS

as expressed to the

American Association for Scientific Taxation
(15 Park Row, New York City):

It is obvious that the bare land with its contents and the waters that flow through and about it, constitute the nature-provided environment of human beings and are rightly the subject of their equal claims. Also that the value-for-use of these natural resources is conditioned on population. It follows population as its shadow. It appears with the people and disappears when they go. This value, therefore, should, by the best of titles, be retained by the community as its most excellent source of public revenue.

The more the community draws upon this vast community-conditioned fund the less will be the forced contributions from capital and labor. This means that the greater and better distributed will be the purchasing power of the people.

Nor is the fiscal retention of bare-land rent to be regarded as a tax; being the rightful collection of revenue from the social estate, it is therefore not taxation, but, to its extent, displaces and avoids taxation.

I do not however regard as implicit in the principle of the social retention of land rent, the requirement that economic rent should constitute the sole source of public income, Never is any good revenue method rightly discredited by any other.

H. J. DAVENPORT,
Professor of Economics, Cornell University.

I cannot agree that land value should be the sole source of public revenue. Nevertheless, premising that so important a change should not be made abruptly, I favor the gradual reduction so far as possible of taxes on the products of labor and taking instead the economic rent of bare land.

IRVING FISHER,
Professor of Economics, Yale University.

I favor a special tax on land values in so far as these values are the result of location rather than of fertility. Fertility may be easily exhausted, it is difficult to conserve, and still more difficult to restore when once exhausted. The farmer must be left with an adequate motive for conserving fertility. Therefore I should treat fertility as I would ditches and other improvements. Location value, however, is a different thing. It seems to me to be a good subject for special taxation.

T. N. CARVER,
Professor of Economics, Harvard University.

The phrase "unearned income" is quite generally used in a loose and ambiguous way and has consequently lost much of its real significance. No income is unearned which is received in payment for such economic services as would not be rendered in adequate degree except on that condition. The real unearned income is that which accrues to an individual without his having done anything which contributes to production. Of the several types of such income the most important is that which issues from the site-value of land. The recipient of such an income does nothing to earn it; he merely sits tight while the growth of the community about the land to which he holds title brings him an unmerited gain. This gain is at the expense of all true producers whether they be laborers, enterprisers or investors in industrial equipment. The taxation of this gain can do nothing to deprive the community of any service since the donee is rendering none. The land will be there for the use of society whether the return from it is taxed or free. Society creates the value and should secure it by taxation.

. . . The approach to scientific taxation involves a shifting of the burden from productive industry, where it now lies, to such incomes as these which are in truth unearned. Like many other reforms this must be accomplished only step by step but the path along which we ought to move lies clearly within our sight.

FRANK D. GRAHAM,
Professor of Economics, Princeton University.

The present general property tax is unjust to farmers and uneconomic from the public standpoint, because it places high taxes on the farmers' fertility, improvements, timber and personal property. This portion of his taxes should be greatly reduced and even abolished, on the part amounting to more than 60 per cent. of agricultural values; but the bare land value, amounting to 40 per cent. or less, should be taxed at higher rates. By no possible effort or expense can he, as an individual, increase his bare land values.

These are increased by the labor, management and thrift of other taxpayers and other industries in the form of highways, railways, schools and profitable markets.

Farmers' bare land value for solely agricultural purposes, distinguished from its speculative value near cities, scarcely runs as high as $100 per acre, but urban bare land values run as high as several million dollars per acre, while bare water-power values are becoming fabulous. Bare land values, including the value of mere waterpower, are due solely to scarcity, while the values of fertility, improvements, machinery and personal property are due mainly to thrift, good management and labor. . . .

JOHN R. COMMONS,
Professor of Economics, University of Wisconsin.

I believe that we should increase the taxation of land, exclusive of improvements, at the same time that we decrease the taxation of the improvements thereon. Such taxation of land should be increased gradually, not suddenly; and if extended over a long enough period of time, it would not be unwise to raise the tax to the point where it would appropriate to the state the greater part, if not the whole of, the economic rent. I do not believe, however, in the Single Tax doctrine that such a land tax should be completely substituted for all other taxes. . . .

RAYMOND T. BYE,
Professor of Economics, University of Pennsylvania.

The site-value of land is so obviously a socially created value that few, if any, theoretical economists worthy of consideration will deny it. Unfortunately, for reasons which appear utterly inconclusive, many of them oppose any effort to single out this value as a special object of taxation. They object that the right to privately appropriate it has been purchased in good faith with money which we must presume to have been earned. The claim of these purchasers is indeed entitled to consideration, but why it should serve to perpetuate among future generations, a system which is as unethical as it is unsound economically, is beyond me. This claim would but justify, at most, a bit of gradualness in our program.

GLENN E. HOOVER,
Assistant Professor of Economics and Sociology, Mills College.

I believe that the taxation now levied upon industry and consumption by our national, state and local governments should be removed completely and at once, and that the land-values of the country should be taxed to raise the revenues for the different

branches of government. The land-value, which is a periodically accruing value, is the only measure of both community benefits and community ability to pay public revenues. When we tax land-values we take, not the labor-product of individuals, but a community product, to pay community expense.

The single tax on land-values is the only tax that collects from the people money in proportion to benefits received and ability to pay. It is the only tax that will cause reforestation of our lands and thus the control of our rivers; the only tax that will put a check upon oppressive bureaucracy and oppressive captainship of industry; the only elastic tax whose elasticity is in direct relation to community needs and to community ability to pay. "Community" is used in both the local and the widest senses.

WILLIAM H. DINKINS.
DEAN, and Instructor in Accounting & Economics,
Selma University, (Ala.).

I believe that one improvement in taxation policy could be made by increasing, gradually, the tax burden on bare land value and, correspondingly, lowering the burden on the improvements "in" and "on" the land. Such a plan would take taxes to a greater degree from the socially-created portion of the property value and to a lesser degree from that portion of the value due to the work and thrift of the owner. Therefore, it would encourage work, thrift and wise investment.

In conclusion, I wish to say that I think the complete and *scientific* reform of the American Tax System is one of the most pressing present-day problems.

T. J. ANDERSON, JR.,
Associate Professor of Economics, Kansas State Agricultural College.

Similar expressions have been received from numerous other authorities, among them, Arthur T. Hadley, Economist and former President of Yale University, Tipton R. Snavely, Professor of Economics, University of Virginia, Paul H. Douglas, Professor of Economics Chicago University, Thaddeus P. Thomas, Professor of Economics, Goucher College, Baltimore, Rev. Dr. John A. Ryan, Catholic University of America.

APPENDIX II.

OTHER APPRECIATIONS OF HENRY GEORGE

The burden of municipal taxation should be so shifted as to put the weight of taxation upon the unearned rise in value of the land itself, rather than upon the improvements.

THEODORE ROOSEVELT.

I find it very difficult to disagree with the principle of Henry George. . . . I believe in the taxation of land values only.

LOUIS D. BRANDEIS.

The Single Tax will wait, I fancy, for years, since it is so fundamental, and mankind never attacks fundamental problems until it has exhausted all the superficial ones.

BRAND WHITLOCK.

All the country needs is a new and sincere thought in politics, coherently, distinctly, and boldly uttered by men who are sure of their ground. The power of men like Henry George seems to me to mean that.

WOODROW WILSON.

I am inclined to believe that no writer of our times has had a more profound influence upon the thinking of the world. I have read "Progress and Poverty" several times and have always felt that for beauty of style, elevation of spirit, and weight of argument it is one of the great books written in my lifetime.

NEWTON D. BAKER.

Henry George was one of the great reformers of the world. His conscience was active, his sympathies broad, his purpose indomitable, his courage unfailing, his devotion to principle absolute. These qualities, though rare, are not exceptional, but with these were united the passion of a great idea, the perception of a primal truth unrecognized, and the genius of language to move mankind.

WILLIAM LLOYD GARRISON 2nd.

The most necessary reform that I know of is the exemption of improvements and the taxation of land values only.

GEORGE FOSTER PEABODY.

Henry George was a master of English; one of the greatest that ever used a pen. . . . He was one of the real prophets of the world; one of the seers of the world. . . . His was a wonderful mind; he saw a question from every side; his philosophy appealed to every school . . . Henry George wrote a profound book, the first book on political economy that people may read; the first and perhaps the last that was readable to plain ordinary men.

CLARENCE DARROW.

People do not argue with the teaching of George; they simply do not know it. And it is impossible to do otherwise with his teaching, for he who becomes acquainted with it cannot but agree.

LEO TOLSTOY.

My ambition is to repay my debt to Henry George by coming over some day (to America) and trying to do for your young men what Henry George did nearly a quarter century ago for me.

GEORGE BERNARD SHAW.

We may be confident that the life of this brave son of a free and generous nation will be chronicled in its annals in letters of gold. Nay, beyond the limits of his native land his name will be known and respected as one of the hosts of God's servants, who desire to glorify him in the eyes of men by establishing among them a reign of happiness, of justice and of universal peace.

RABBI GUSTAV GOTTHEIL.

Farewell, Henry George! Great, honest, pure heart and brain, farewell! Two hundred years from now it will be known that an election was held only because you were one of the candidates, and now that you are gone, people will come to know that you are one of the few men of the age whose names are to survive.

WILLIAM J. GAYNOR.

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Henry George
Progress and poverty

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