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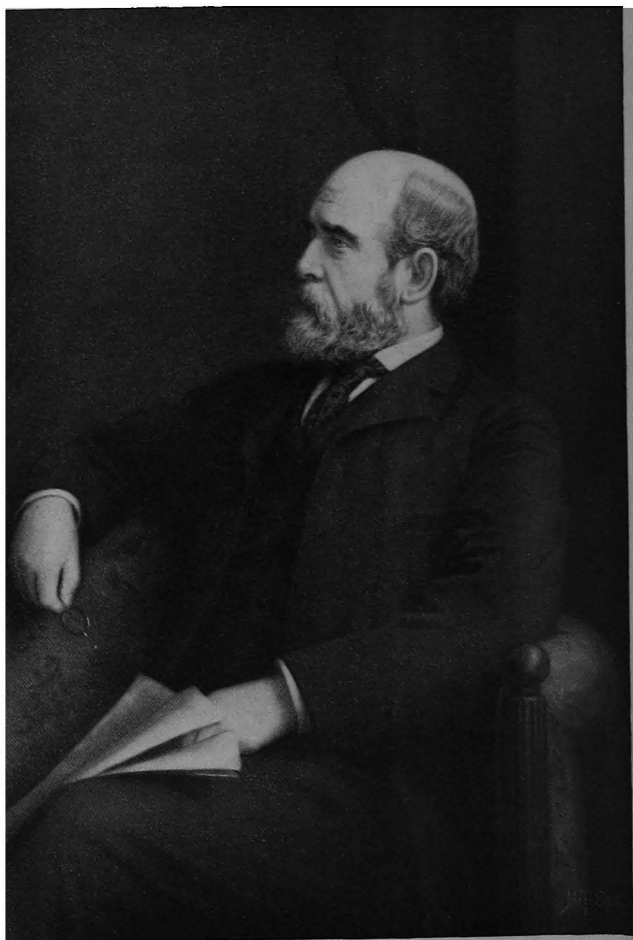
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HENRY GEORGE

*From the Oil Portrait
by Harry Thurston See.*

PROGRESS AND POVERTY

AN INQUIRY INTO THE CAUSE OF INDUSTRIAL
DEPRESSIONS AND OF INCREASE OF WANT
WITH INCREASE OF WEALTH

THE REMEDY

BY

HENRY GEORGE

*Author of "The Science of Political Economy," "Protection or Free Trade?"
"Social Problems," "A Perplexed Philosopher," "The Condition of
Labor," "The Land Question," "Property in Land," etc*

FIFTIETH ANNIVERSARY EDITION

ROBERT SCHALKENBACH FOUNDATION
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incorporated in 1925, to administer a Trust Fund left by the will of the late Robert Schalkenbach, 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.

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TO THOSE WHO,
SEEING THE VICE AND MISERY THAT SPRING FROM
THE UNEQUAL DISTRIBUTION
OF WEALTH AND PRIVILEGE,
FEEL THE POSSIBILITY OF A HIGHER SOCIAL STATE
AND WOULD STRIVE FOR ITS ATTAINMENT

SAN FRANCISCO, March, 1879.

Make for thyself a definition or description of the thing which is presented to thee, so as to see distinctly what kind of a thing it is, in its substance, in its nudity, in its complete entirety, and tell thyself its proper name, and the names of the things of which it has been compounded, and into which it will be resolved. For nothing is so productive of elevation of mind as to be able to examine methodically and truly every object which is presented to thee in life, and always to look at things so as to see at the same time what kind of universe this is, and what kind of use everything performs in it, and what value everything has with reference to the whole, and what with reference to man, who is a citizen of the highest city, of which all other cities are like families; what each thing is, and of what it is composed, and how long it is the nature of this thing to endure.

—*Marcus Aurelius Antoninus.*

FOREWORD

TO THE FIFTIETH ANNIVERSARY EDITION

The fame won by Henry George as writer, economist and philosopher, has not diminished with the years that have passed since his death in 1897. On the contrary, there has been a steadily broadening recognition of his intellectual eminence. Significant of this was the recent Appreciation by John Dewey, the famous American educator and professor of philosophy at Columbia University, which contained these striking statements:

"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."

In this fiftieth year after the first publication of "Progress and Poverty" it must appear to that growing body of workers for social justice who in many lands are spreading George's gospel, that there is at this time as great a need as ever for the comprehension of the truth he sought to make plain. For, as in 1879, there is widespread social unrest in the world. Industrial depression and unemployment are conditions common to many lands, and even in the nominally prosperous atmosphere of the United States, vast numbers are compelled to live in poverty or close to its border line. It would appear that in the half century since "Progress and Poverty" was published, there has been little abatement of the social and economic ills that have afflicted

the human family everywhere, and that recur, with unfailling regularity, in cycles that seem unexplainable except to the followers of Henry George. And, at a time when world opinion is demanding that statesmanship shall outlaw war, it is important to recall that the World Economic Conference, held at Geneva in 1927 at the call of the League of Nations, found a definite interdependence of the economic causes of war and industrial depression. It seems like a vindication of the philosophy of Henry George to find that this Conference, to which the representatives of fifty nations were called, unanimously arrived at the conclusion that:

“The main trouble now is neither any material shortage of the resources of nature nor any inadequacy in man’s power to exploit them. It is all, in one form or another, a maladjustment; not an insufficient productive capacity, but a series of impediments to the full utilization of that capacity. The main obstacles to economic revjval have been the hindrances opposed to the free flow of labor, capital, and goods.”

This, in effect, is what Henry George maintained fifty years ago, contrary to the teachings of the accepted political economy.

Greater need than ever exists for a re-examination by mankind of the remedy for the world’s social and economic ills that is involved in the fundamental proposals of Henry George—proposals which Tolstoy declared must ultimately be accepted by the world because they are so logical and so unanswerable.

Therefore, the trustees of the Robert Schalkenbach Foundation, of New York, which was formed to bring about a wider acquaintance with the social and economic philosophy of Henry George, have considered this an appropriate time to produce from new plates this Fiftiet^h Anniversary Edition of “Progress and Poverty.”

HOW THE BOOK CAME TO BE WRITTEN

In the Introduction to the Twenty-fifth Anniversary Edition, Henry George, Jr. told interestingly, as follows, how "Progress and Poverty" came to be written:

Out of the open West came a young man of less than thirty to this great city of New York. He was small of stature and slight of build. His *alma mater* had been the forecastle and the printing-office. He was poor, unheralded, unknown. He came from a small city rising at the western golden portals of the country to set up here, for a struggling little newspaper there, a telegraphic news bureau, despite the opposition of the combined powerful press and telegraph monopolies. The struggle was too unequal. The young man was overborne by the monopolies and his little paper crushed.

This man was Henry George and the time was 1869.

But though defeated, Henry George was not vanquished. Out of this struggle had come a thing that was to grow and grow until it should fill the minds and hearts of multitudes and be as "an army with banners."

For in the intervals of rest from his newspaper struggle in this city the young correspondent had musingly walked the streets. As he walked he was filled with wonder at the manifestations of vast wealth. Here, as nowhere that he had dreamed of, were private fortunes that rivaled the riches of the fabled Monte Cristo. But here, also, side by side with the palaces of the princely rich, was to be seen a poverty and degradation, a want and shame, such as made the young man from the open West sick at heart.

Why in a land so bountifully blest, with enough and more than enough for all, should there be such inequality of conditions? Such heaped wealth interlocked with such deep and debasing want? Why, amid such super-

abundance, should strong men vainly look for work? Why should women faint with hunger, and little children spend the morning of life in the treadmill of toil?

Was this intended in the order of things? No, he could not believe it. And suddenly there came to him—there in daylight, in the city street—a burning thought, a call, a vision. Every nerve quivered. And he made a vow that he would never rest until he had found the cause of, and, if he could, the remedy for, this deepening poverty amid advancing wealth.

Returning to San Francisco soon after his telegraphic news failure, and keeping his vow nurtured in his heart, Henry George perceived that land speculation locked up vast territories against labor. Everywhere he perceived an effort to “corner” land; an effort to get it and to hold it, not for use, but for a “rise.” Everywhere he perceived that this caused all who wished to use it to compete with each other for it; and he foresaw that as population grew the keener that competition would become. Those who had a monopoly of the land would practically own those who had to use the land.

Filled with these ideas, Henry George in 1871 sat down and in the course of four months wrote a little book under title of “Our Land and Land Policy.” In that small volume of forty-eight pages he advocated the destruction of land monopoly by shifting all taxes from labor and the products of labor and concentrating them in one tax on the value of land, regardless of improvements. A thousand copies of this small book were printed, but the author quickly perceived that really to command attention, the work would have to be done more thoroughly.

That more thorough work came something more than six years later. In August, 1877, the writing of “Progress and Poverty” was begun. It was the oak that grew out of the acorn of “Our Land and Land Policy.” The

larger book became "an inquiry into industrial depressions and of increase of want with increase of wealth," and pointed out the remedy.

The book was finished after a year and seven months of intense labor, and the undergoing of privations that caused the family to do without a parlor carpet, and which frequently forced the author to pawn his personal effects.

And when the last page was written, in the dead of night, when he was entirely alone, Henry George flung himself upon his knees and wept like a child. He had kept his vow. The rest was in the Master's hands.

Then the manuscript was sent to New York to find a publisher. Some of the publishers there thought it visionary; some, revolutionary. Most of them thought it unsafe, and all thought that it would not sell, or at least sufficiently to repay the outlay. Works on political economy even by men of renown were notoriously not money-makers. What hope then for a work of this nature from an obscure man—unknown, and without prestige of any kind? At length, however, D. Appleton & Co. said they would publish it if the author would bear the main cost, that of making the plates. There was nothing else for it, and so in order that the plate-making should be done under his own direction Henry George had the type set in a friend's printing-office in San Francisco, the author of the book setting the first two stickfuls himself.

Before the plates, made from this type, were shipped East, they were put upon a printing-press and an "Author's Proof Edition" of five hundred copies was struck off. One of these copies Henry George sent to his venerable father in Philadelphia, eighty-one years old. At the same time the son wrote:

It is with deep feeling of gratitude to Our Father in Heaven that I send you a printed copy of this book. I am grateful that

I have been enabled to live to write it, and that you have been enabled to live to see it. It represents a great deal of work and a good deal of sacrifice, but now it is done. It will not be recognized at first—maybe not for some time—but it will ultimately be considered a great book, will be published in both hemispheres, and be translated into different languages. This I know, though neither of us may ever see it here. But the belief that I have expressed in this book—the belief that there is yet another life for us—makes that of little moment.

The prophecy of recognition of the book's greatness was fulfilled very quickly. The Appletons in New York brought out the first regular market edition in January, 1880, just twenty-five years ago. Certain of the San Francisco newspapers derided book and author as the "hobby" of "little Harry George," and predicted that the work would never be heard of. But the press elsewhere in the country and abroad, from the old "Thunderer" in London down, and the great periodical publications, headed by the "Edinburgh Review," hailed it as a remarkable book that could not be lightly brushed aside. In the United States and England it was put into cheap paper editions, and in that form outsold the most popular novels of the day. In both countries, too, it ran serially in the columns of newspapers. Into all the chief tongues of Europe it was translated, there being three translations into German. Probably no exact statement of the book's extent of publication can be made; but a conservative estimate is that, embracing all forms and languages, more than two million copies of "Progress and Poverty" have been printed to date; and that including with these the other books that have followed from Henry George's pen, and which might be called "The Progress and Poverty Literature," perhaps five million copies have been given to the world.

HENRY GEORGE, JR.

NEW YORK,
January 24, 1905.

PREFACE TO FOURTH EDITION

The views herein set forth were in the main briefly stated in a pamphlet entitled "Our Land and Land Policy," published in San Francisco in 1871. I then intended, as soon as I could, to present them more fully, but the opportunity did not for a long time occur. In the meanwhile I became even more firmly convinced of their truth, and saw more completely and clearly their relations; and I also saw how many false ideas and erroneous habits of thought stood in the way of their recognition, and how necessary it was to go over the whole ground.

This I have here tried to do, as thoroughly as space would permit. It has been necessary for me to clear away before I could build up, and to write at once for those who have made no previous study of such subjects, and for those who are familiar with economic reasonings; and, so great is the scope of the argument that it has been impossible to treat with the fullness they deserve many of the questions raised. What I have most endeavored to do is to establish general principles, trusting to my readers to carry further their applications where this is needed.

In certain respects this book will be best appreciated by those who have some knowledge of economic literature; but no previous reading is necessary to the understanding of the argument or the passing of judgment upon its conclusions. The facts upon which I have relied are not facts which can be verified only by a search through libraries. They are facts of common observation and common knowledge, which every reader can verify for himself, just as he can decide whether the reasoning from them is or is not valid.

Beginning with a brief statement of facts which suggest this inquiry, I proceed to examine the explanation currently given in the name of political economy of the reason why, in spite of the increase of productive power, wages tend to the minimum of a bare living. This examination shows that the current doctrine of wages is founded upon a misconception; that, in truth, wages are produced by the labor for which they are paid, and should, other things being equal, increase with the number of laborers. Here the inquiry meets a doctrine which is the foundation and center of most important economic theories, and which has powerfully

influenced thought in all directions—the Malthusian doctrine, that population tends to increase faster than subsistence. Examination, however, shows that this doctrine has no real support either in fact or in analogy, and that when brought to a decisive test it is utterly disproved.

Thus far the results of the inquiry, though extremely important, are mainly negative. They show that current theories do not satisfactorily explain the connection of poverty with material progress, but throw no light upon the problem itself, beyond showing that its solution must be sought in the laws which govern the distribution of wealth. It therefore becomes necessary to carry the inquiry into this field. A preliminary review shows that the three laws of distribution must necessarily correlate with each other, which as laid down by the current political economy they fail to do, and an examination of the terminology in use reveals the confusion of thought by which this discrepancy has been slurred over. Proceeding then to work out the laws of distribution, I first take up the law of rent. This, it is readily seen, is correctly apprehended by the current political economy. But it is also seen that the full scope of this law has not been appreciated, and that it involves as corollaries the laws of wages and interest—the cause which determines what part of the produce shall go to the land owner necessarily determining what part shall be left for labor and capital. Without resting here, I proceed to an independent deduction of the laws of interest and wages. I have stopped to determine the real cause and justification of interest, and to point out a source of much misconception—the confounding of what are really the profits of monopoly with the legitimate earnings of capital. Then returning to the main inquiry, investigation shows that interest must rise and fall with wages, and depends ultimately upon the same thing as rent—the margin of cultivation or point in production where rent begins. A similar but independent investigation of the law of wages yields similar harmonious results. Thus the three laws of distribution are brought into mutual support and harmony, and the fact that with material progress rent everywhere advances is seen to explain the fact that wages and interest do not advance.

What causes this advance of rent is the next question that arises, and it necessitates an examination of the effect of material progress upon the distribution of wealth. Separating the factors of material progress into increase of population and improvements in the arts, it is first seen that increase in population tends constantly, not merely by reducing the margin of cultivation, but by localizing the economies and powers which come with in-

creased population, to increase the proportion of the aggregate, produce which is taken in rent, and to reduce that which goes as wages and interest. Then eliminating increase of population, it is seen that improvement in the methods and powers of production tends in the same direction, and, land being held as private property, would produce in a stationary population all the effects attributed by the Malthusian doctrine to pressure of population. And then a consideration of the effects of the continuous increase in land values which thus spring from material progress reveals in the speculative advance inevitably begotten when land is private property a derivative but most powerful cause of the increase of rent and the crowding down of wages. Deduction shows that this cause must necessarily produce periodical industrial depressions, and induction proves the conclusion; while from the analysis which has thus been made it is seen that the necessary result of material progress, land being private property, is, no matter what the increase in population, to force laborers to wages which give but a bare living.

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This identification of the cause that associates poverty with progress points to the remedy, but it is so radical a remedy that I have next deemed it necessary to inquire whether there is any other remedy. Beginning the investigation again from another starting point, I have passed in examination the measures and tendencies currently advocated or trusted in for the improvement of the condition of the laboring masses. The result of this investigation is to prove the preceding one, as it shows that nothing short of making land common property can permanently relieve poverty and check the tendency of wages to the starvation point.

The question of justice now naturally arises, and the inquiry passes into the field of ethics. An investigation of the nature and basis of property shows that there is a fundamental and irreconcilable difference between property in things which are the product of labor and property in land; that the one has a natural basis and sanction while the other has none, and that the recognition of exclusive property in land is necessarily a denial of the right of property in the products of labor. Further investigation shows that private property in land always has, and always must, as development proceeds, lead to the enslavement of the laboring class; that land owners can make no just claim to compensation if society choose to resume its right; that so far from private property in land being in accordance with the natural perceptions of men, the very reverse is true, and that in the United States

we are already beginning to feel the effects of having admitted this erroneous and destructive principle.

The inquiry then passes to the field of practical statesmanship. It is seen that private property in land, instead of being necessary to its improvement and use, stands in the way of improvement and use, and entails an enormous waste of productive forces; that the recognition of the common right to land involves no shock or dispossession, but is to be reached by the simple and easy method of abolishing all taxation save that upon land values. And this an inquiry into the principles of taxation shows to be, in all respects, the best subject of taxation.

A consideration of the effects of the change proposed then shows that it would enormously increase production; would secure justice in distribution; would benefit all classes; and would make possible an advance to a higher and nobler civilization.

The inquiry now rises to a wider field, and recommences from another starting point. For not only do the hopes which have been raised come into collision with the widespread idea that social progress is possible only by slow race improvement, but the conclusions we have arrived at assert certain laws which, if they are really natural laws, must be manifest in universal history. As a final test, it therefore becomes necessary to work out the law of human progress, for certain great facts which force themselves on our attention, as soon as we begin to consider this subject, seem utterly inconsistent with what is now the current theory. This inquiry shows that differences in civilization are not due to differences in individuals, but rather to differences in social organization; that progress, always kindled by association, always passes into retrogression as inequality is developed; and that even now, in modern civilization, the causes which have destroyed all previous civilizations are beginning to manifest themselves, and that mere political democracy is running its course toward anarchy and despotism. But it also identifies the law of social life with the great moral law of justice, and, proving previous conclusions, shows how retrogression may be prevented and a grander advance begun. This ends the inquiry. The final chapter will explain itself.

The great importance of this inquiry will be obvious. If it has been carefully and logically pursued, its conclusions completely change the character of political economy, give it the coherence and certitude of a true science, and bring it into full sympathy with the aspirations of the masses of men, from which it has long been estranged. What I have done in this book, if I have correctly solved the great problem I have sought to in-

investigate, is, to unite the truth perceived by the school of Smith and Ricardo to the truth perceived by the schools of Proudhon and Lasalle; to show that *laissez faire* (in its full true meaning), opens the way to a realization of the noble dreams of socialism; to identify social law with moral law, and to disprove ideas which in the minds of many cloud grand and elevating perceptions.

This work was written between August, 1877, and March, 1879, and the plates finished by September of that year. Since that time new illustrations have been given of the correctness of the views herein advanced, and the march of events—and especially that great movement which has begun in Great Britain in the Irish land agitation—shows still more clearly the pressing nature of the problem I have endeavored to solve. But there has been nothing in the criticisms they have received to induce the change or modification of these views—in fact, I have yet to see an objection not answered in advance in the book itself. And except that some verbal errors have been corrected and a preface added, this edition is the same as previous ones.

HENRY GEORGE.

NEW YORK, *November*, 1880.

Henry George, born September 2, 1839, died October 29, 1897. During the last months of his life "Progress and Poverty" was reset for new electrotype plates. Mr. George then made some slight alterations in syntax and punctuation; clarified the phraseology of the plane illustration in the chapter on interest (Book III, Chapter III); added a reference to the recantation of Herbert Spencer (note to Book VII, Chapter III); and made a distinction between patents and copyrights (note to Book VIII, Chapter III). With these minor exceptions, the book is identical with the fourth edition described in the above preface. The present edition (1929) has been reset for new plates, and except for a slight difference in paging, conforms to previous editions.

There must be refuge! Men
Perished in winter winds till one smote fire
From flint stones coldly hiding what they held,
The red spark treasured from the kindling sun;
They gorged on flesh like wolves, till one sowed corn,
Which grew a weed, yet makes the life of man;
They mowed and babbled till some tongue struck speech,
And patient fingers framed the lettered sound.
What good gift have my brothers, but it came
From search and strife and loving sacrifice?

—*Edwin Arnold.*

Never yet
Share of Truth was vainly set
In the world's wide fallow;
After hands shall sow the seed,
After hands, from hill and mead,
Reap the harvests yellow.

—*Whittier.*

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