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John Dewey on Henry George

Steps to Economic Recovery

John Dewey

[an address delivered over radio station WEVD, New York City, 1932;
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You have heard much about various steps that should be taken to promote economic recovery. I propose this evening -to concentrate attention upon one step, a step absolutely fundamental to permanent recovery of the sick patient, as distinct from remedies that doped the patient into a temporary hectic burst of activity; a step so simple and so basic as to be generally neglected.

The one thing uppermost in the minds of everybody today is the appalling existence of want in the midst of plenty, of millions of unemployed in the midst of idle billions of hoarded money and unused credit, as well as factories and mills deteriorating for lack of use, of hunger while farmers are burning grain for fuel. No wonder people are asking what sort of a crazy economic system we have when at a time when millions are short of adequate food, when babies are going without the milk necessary for their growth, the best remedy that experts can think of and that the Federal Government can recommend, is to pay a premium to farmers to grow less grain with which to make flour to feed the hungry, and pay a premium to dairymen to send less milk to market.

Henry George called attention to this situation over fifty years ago. The contradiction between increasing plenty, increase of potential security,-and actual want and insecurity is stated in the title of his chief work, Progress and Poverty. That is what his book is about. It is a record of the fact that as the means and appliances of civilization increase, poverty and insecurity also increase. It is an explanation of why millionaires and tramps multiply together. It is a prediction of why this state of affairs will continue; it is a prediction of the plight in which the nation finds itself today. At the same time it is the explanation of why this condition is artificial, man-made, unnecessary, and how it can be remedied. So I suggest that as a beginning of the first steps to permanent recovery there be a nationwide revival of interest in the writings and teachings of Henry George, and that there be such an enlightenment of public opinion that our representatives in legislatures and public places be compelled to adopt the changes he urged.

Do not the following words sound as if they were written today?

"So true it is that poverty does not come from the inability to produce more wealth, that from every side we hear that power to produce is in excess of the ability to find a market; that the constant fear seems to be not that too little, but that too much, will be produced! Do we not maintain a high tariff, and keep at every port a horde of Custom- House officers, for fear the people of other countries will overwhelm us with their goods? Is not a large part of our machinery constantly idle? Are there not, even in what we call good times, an immense number of unemployed men who would gladly be at work producing wealth if they could only get the opportunity? Do we not, even now, hear from every side of embarrassment from the very excess of productive power and of combinations to reduce production? . . . This seeming glut of production, this seeming excess of productive powers runs through all branches of industry and is evident all over the civilized world."

Yet these words were penned in 1883, just fifty years ago, by George in his work called *Social Problems*, every word of which applies to our present condition, only in a more intense degree. Nor did our people have to wait for the advent of technocrats to hear that the machine and the control of power make it possible to abolish poverty while actually improvements in the machinery of production and distribution are working in the opposite direction. Fifty years ago, George pointed out the same contrast. On the one hand, as he said:

"Productive power in such a state of civilization as ours is sufficient, did we give it play, to so enormously increase the production of wealth as to give abundance to all."

On the other hand, now, as when George wrote:

"The tendency of all the inventions and improvements so wonderfully augmenting productive power is to concentrate enormous wealth in the hands of a few, to make the condition of the many more hopeless. ...Without a single exception I can think of, the effect of all modern industrial improvements is to production upon a large scale, to the minute division of labor, to the giving of large capital an overpowering advantage. ...The tendency of the machine is in everything not merely to place it out of the power of the workman to become his own employer, hut to reduce him to the position of a mere feeder or attendant; to dispense with judgment, skill and brains. ...He has no more control of the conditions that give him employment than has the passenger in the railway train over the motion of the train."

And yet machine and scientific technology contains in itself the possibility of the complete abolition of want and poverty. What is the trouble?

Go to the work of Henry George himself and learn how many of the troubles from which society still suffers, and suffers increasingly, are due to the fact that a few have monopolized the land, and that in consequence they have the power to dictate to others access to the land and to its products -- which include waterpower, electricity, coal, iron and all minerals, as well as the foods that sustain life--and that they have the power to appropriate to their private use the values that the industry, the civilized order, the very benefactions, of others produce. This wrong is at the very basis of our present social and economic chaos, and until it is righted, all steps toward economic recovery may be temporarily helpful while in the long run useless.

I suppose my hearers have heard the following line of consolation put forth by professional optimists like Mr. Charles Schwab and his imitators. "To be sure," they say, "we have a bad depression, but we have had in our history at least nine such depressions, before, and yet have come out of them all to enjoy even better times than went before." What a wonderful consolation, and what a wonderful system! We can get out of our present hole and climb up in order to fall into a tenth, and eleventh and twelfth hole, and so on, each deeper than the one before! Is it not about time that instead of patching up here and there we try to go to the roots of our troubles?

Consequently instead of attempting a technical explanation of the moral and economic philosophy of Henry George, I want to urge my hearers to acquaint themselves with his own works, to study them, and then to organize to see that his principle is carried into effect. What are the most evident sore spots of the present? The answer is clear, unemployment; extreme inequality in the distribution of the national income; enormous fixed charges in the way of interest on debts; a crazy, cumbrous, inequitable tax system that puts the burden on the consumer, and the ultimate producer, and lets off the parasites, exploiters and the privileged, -- who ought to be relieved entirely of their gorged excess, -- very lightly, and indeed in many cases, as in that of the tariff, pays them a premium for imposing a burden on honest industry and on the means of production; a vicious and incompetent banking system, with billions of money, the hope for the future of millions of hardworking peoples, still locked up, while the depositors lose their homes and walk the streets in vain; the greater part of our population, in the nation of the earth most favored by nature, still living either in slums or in homes without the improvements indispensable to a healthy and civilized life.

You cannot study Henry George without learning how intimately each of these wrongs and evils is bound up with our land system. One of our great national weaknesses is speculation. Everybody recognizes that fact in the stock market orgy of our late boom days. Only a few realize the extent to which speculation in land is the source of many troubles of the farmer, the part it has played in loading banks and insurance companies

with frozen assets and compelling the closing of thousands of banks, nor how the high rents, the unpayable mortgages and the slums of the cities are connected with speculation in land values. All authorities on public works hold that the most fruitful field for them is slum clearance and better housing. Yet only a few seem to realize that with our present situation this improvement will put a bonus in the pockets of landlords, and the land speculator will be the one to profit financially -- for after all, buildings are built on land.

So with taxation. There are all sorts of tinkering going on, but the tinkers and patchers shut their eyes to the fact that the socially produced annual value of land-not of improvements, but of ground-rent value -- is about five billion dollars, and that its appropriation by those who create it, the community, would at once relieve the tax burden and ultimately would solve the tax problem. Of late the federal government has concerned itself with the problems of home ownership, but again by methods of tinkering that may easily in the long run do more harm than good. The community's acquisition of its own creation, ground-rent value, would both reduce the price of land and entirely eliminate taxes on improvement, thus making ownership easier. And how anyone expects to solve the unemployment question by putting the sanction of both legality and high pecuniary reward upon the ability of the few to keep the many from equal access to land and to the raw material, without which labor is impossible, I do not see -- and no one else does. For the tinkers assume that unemployment must continue, only with government assistance to those who are necessarily out of work. By all means let us help those that now need it, but for the future let us prevent the cause instead of merely mitigating the effects.

So if there were time, one could go through every one of our problems and show its intimate connection with a just solution of the land problem.

I do not claim that George's remedy is a panacea that will cure by itself all our ailments. But I do claim that we cannot get rid of our basic troubles without it. I would make exactly the same concession and the same claim that Henry George himself made:

"I do not say that in the recognition of the equal and unalienable right of each human being to the natural elements from which life must be supported and wants satisfied, lies the solution of all social problems. I fully recognize that even after we do this, much will remain to do. We might recognize the equal right to land, and yet tyranny and spoliation be continued. But whatever else we do, as long as we fail to recognize the equal right to the elements of nature, nothing will avail to remedy that unnatural inequality in the distribution of wealth which is fraught with so much evil and danger. Reform as we may, until we make this fundamental reform, our material progress can but tend to differentiate our people into the monstrously rich and the frightfully poor. Whatever be the increase of wealth, the masses will still be ground toward the point of bare substance - we must still have our great criminal classes, our

paupers and our tramps, men and women driven to degradation and desperation from inability to make an honest living."